



Secrets of success  
Seven routes to the  
top in business  
Page 19

Greenlist blacklist

Lobbyists tell funds where  
not to invest and why  
Page 8

Burning issue

The EC wrangle over  
waste incineration  
Page 8

Wider bands, new tunes

Who's making money  
on currencies now  
Page 13

# FINANCIAL TIMES

Europe's Business Newspaper

WEDNESDAY AUGUST 19 1993

## Hewlett-Packard earnings rise but share price falls

HEWLETT-PACKARD improved third-quarter earnings by 44 per cent to \$271m, but the US computer and electronics group's stock fell because its figures were below Wall Street's predictions. After closing in New York at \$75 1/4 on Monday, the group's stock had dropped to \$71 1/4 by noon yesterday. Page 13

**Bosnia talks deadlocked:** Bosnia's President Alija Izetbegovic was still at loggerheads with his Serb adversaries over the division of Serb-held eastern Bosnia. Page 3

**De Larosière has clear run for EBRD post:**

Bank of France governor Jacques de Larosière (left) will tomorrow be named new president of the European Bank for Reconstruction and Development, the bank set up to invest in eastern Europe. His election was secured yesterday when the only other contender, former Polish finance minister Leszek Balcerowicz, withdrew. Page 2

**France cuts rates:** The Bank of France cut overnight interest rates for the third time in eight days. Monetary officials denied they were seeking controls or taxes on foreign exchange flows to curb speculation against the franc. Page 2; Currencies, Page 23

**Record Australian deficit forecast:** The Australian government forecast a record A\$16bn (\$11bn) budget deficit, moderate economic growth and higher inflation. Page 12; Editorial comment, Page 11

**Sudan risks 'terror'** brands US secretary of state Warren Christopher is poised to put Sudan on the US list of states accused of sponsoring terrorism. Page 6

**Ibrahim Babangida** said he had offered to quit as Nigerian president and chief of the armed forces, but refused to say if he would actually leave office. Page 4; Editorial comment, Page 11

**De Beers maintains dividend:** The South African-controlled diamond company is maintaining its dividend at 25.2 US cents a share after improving half year earnings. Page 13

**Hanson:** the Anglo-US conglomerate, reported taxable profits of \$75m (\$1.4bn) for the nine months to June 30, 16 per cent lower than in the same period a year earlier, when exceptional gains boosted profits. Page 13; Lex, Page 13

**Kurds threaten attacks on tourist spots:** A Kurdish separatist group said it might attack popular Turkish tourist spots such as Bodrum and Izmir. Kani Yilmaz, a representative of the political wing of the Kurdish Workers Party, said tourists' safety could not be guaranteed in war zones.

**Norwegian minister's bid:** Norway's environment minister Thorbjørn Barmen admitted calling his British counterpart, John Gummer, a "shitbag". The "drittsakk" jibe came at an election rally where he criticised Mr Gummer over UK pollution causing acid rain in Norway.

**Singapore details flotation:** Singapore is to sell 6 to 8 per cent of Singapore Telecom in its first privatisation offering in October. About half the initial sales of 900m to 1.2bn shares will be made through a tender, with foreign investors able to take part without restrictions. Page 4

**Storm lashes Philippines:** Manila was waist-deep in floodwater after tropical storm Tasha swept in from the Pacific. Mudflows two metres deep slid down Mount Pinatubo, commuters were stranded and some domestic flights cancelled.

**US doctor charged:** Controversial Michigan doctor Jack Kevorkian was charged with breaking the state's new suicide law for helping a 30-year-old man end his life earlier this month. Two previous murder cases against Kevorkian were thrown out because the state had no suicide law.

**Hong Kong talks end:** The latest round of talks between Britain and China on Hong Kong's political future ended in Beijing without any sign of progress.

**More Russian diphtheria cases:** Fifty soldiers in the Siberian region of Khabarovsk have succumbed to the diphtheria outbreak sweeping Russia. Outbreaks of other dangerous diseases from anthrax to cholera have been reported in the past week.

STOCK MARKET INDICES		STERLING	
FT-SE 100	3025.0 (+16.7)	New York Composite	1,498
Yield	4.7%	London	1,498
FT-SE Eurotrack 100	1294.29 (+0.57)	DM	1,498 (1,494)
FT-AE Share	1953.20 (+0.5%)	FF	2,522 (2,502)
Nikkei	20,941.98 (+55.51)	Scd	8,572 (8,567)
New York Composite	3,581.11 (+1.38)	Scd	2,242 (2,229)
Dow Jones Ind Ave	3,581.11 (+1.38)	Y	191.1 (191.0)
S&P Composite	452.32 (+0.06)	£ Index	61.0 (60.3)
US LUNCHTIME RATES		DOLLAR	
Federal Funds	3 1/4%	New York Composite	1,498
3-mo Treas Bill: Yld	3.065%	London	1,498
Long Bond	6.267%	DM	1,498 (1,494)
3-mo interbank	5 1/4% (same)	FF	2,522 (2,502)
Life long gilt future: Sep 11/93 (Sep 11/93)	5 1/4%	Scd	8,572 (8,567)
MORTH SEA OIL (Argus)		LONDON MONEY	
Brent 15-day Oct	\$17.17 (17.05)	New York Composite	1,498
Gold	374.9 (374.9)	London	1,498
New York Comex (Dec)	374.9 (374.9)	DM	1,498 (1,494)
London Gold	374.9 (374.9)	FF	2,522 (2,502)
Yield	4.7%	Scd	8,572 (8,567)
FT-SE 100	3025.0 (+16.7)	Y	191.1 (191.0)
Yield	4.7%	£ Index	61.0 (60.3)

Austria	500.00	Germany	100.00	Italy	100.00	Spain	100.00	UK	100.00	US	100.00
Bahrain	100.00	Greece	100.00	Japan	100.00	Sweden	100.00	France	100.00	Canada	100.00
Belgium	100.00	Hungary	100.00	South Africa	100.00	Switzerland	100.00	Italy	100.00	Denmark	100.00
Bulgaria	100.00	India	100.00	Taiwan	100.00	Thailand	100.00	UK	100.00	Finland	100.00
Czech Rep	100.00	Israel	100.00	Turkey	100.00	US	100.00	France	100.00	Sweden	100.00
Denmark	100.00	Italy	100.00	Yugoslavia	100.00	Yemen	100.00	UK	100.00	Canada	100.00
Egypt	100.00	Japan	100.00	Zimbabwe	100.00	South Africa	100.00	France	100.00	Germany	100.00
Finland	100.00	UK	100.00	US	100.00	Canada	100.00	UK	100.00	France	100.00
France	100.00	US	100.00	Canada	100.00	UK	100.00	France	100.00	Germany	100.00
Germany	100.00	Canada	100.00	UK	100.00	France	100.00	Germany	100.00	Italy	100.00
Greece	100.00	UK	100.00	France	100.00	Germany	100.00	Italy	100.00	Japan	100.00
Hungary	100.00	France	100.00	Germany	100.00	Italy	100.00	Japan	100.00	South Africa	100.00
India	100.00	Germany	100.00	Italy	100.00	Japan	100.00	South Africa	100.00	Sweden	100.00
Indonesia	100.00	Italy	100.00	Japan	100.00	South Africa	100.00	Sweden	100.00	Switzerland	100.00
Israel	100.00	Japan	100.00	South Africa	100.00	Sweden	100.00	Switzerland	100.00	Thailand	100.00
Italy	100.00	South Africa	100.00	Sweden	100.00	Switzerland	100.00	Thailand	100.00	Taiwan	100.00
Japan	100.00	Sweden	100.00	Switzerland	100.00	Thailand	100.00	Taiwan	100.00	Turkey	100.00
South Africa	100.00	Switzerland	100.00	Thailand	100.00	Taiwan	100.00	Turkey	100.00	US	100.00
Sweden	100.00	Thailand	100.00	Taiwan	100.00	Turkey	100.00	US	100.00	Yemen	100.00
Switzerland	100.00	Taiwan	100.00	Turkey	100.00	US	100.00	Yemen	100.00	Zimbabwe	100.00
Thailand	100.00	Turkey	100.00	US	100.00	Yemen	100.00	Zimbabwe	100.00		
Taiwan	100.00	US	100.00	Yemen	100.00	Zimbabwe	100.00				
Turkey	100.00	Yemen	100.00	Zimbabwe	100.00						
US	100.00	Zimbabwe	100.00								
Yemen	100.00										
Zimbabwe	100.00										

## China freezes pay of state enterprise workers

By Tony Walker in Beijing

CHINA has imposed a wage freeze on employees of bloated state enterprises as part of its austerity drive to regain control of a runaway economy.

The authorities have also warned that state enterprises which make no effort to pay off their debts would gradually lose their subsidies.

Also yesterday, Mr Zhu Rongji, senior vice premier in charge of the economy, called for an accelerated programme of economic reform to deal with the country's overheating economy.

"We should carry out the rectification by means of reform, accelerate the reform on the basis of rectification and lose no time in promoting reform," Mr Zhu told a meeting of Chinese bankers.

The latest measures to curb waste in the loss-making and overmanned state sector indicate that China may at last be preparing to tackle one of its biggest economic challenges.

But problems in this area are so deep-rooted that even if a determined start is made now it will take years to bring the situation under control.

An official in China's labour ministry

was quoted yesterday in the English-language China Daily as saying that the payment of wages, bonuses, allowances, subsidies and commissions had "run out of control".

Urban employees' wages have risen by 21.7 per cent in the first six months of this year compared with the same period last year. State-owned industry paid out Yuan41.29bn (\$7.24bn) in bonuses, 38 per cent more than the same period in 1992.

China's economy grew by 13.9 per cent in the six months to June. The cost of living rocketed by more than 17 per cent in the same period, panicking the leader-

ship into a severe programme of retrenchment, including a credit squeeze, and a crackdown on speculative real estate development.

Western economists in Beijing estimate that more than 50 per cent of China's state enterprises are losing money. Total annual losses are estimated at around Yuan100bn. There are more than 10,000 small, medium and large state enterprises.

Mr Kongji, who was appointed to head the People's Bank, China's central bank, last month, is responsible for a wide-ranging economic stabilisation pro-

gramme that aims to bring inflation down below 10 per cent within the next six to twelve months.

The programme's other objectives include restraining money supply growth, curbing investment in fixed assets, and combating rampant speculation in real estate and commodities.

There was no indication yesterday how the government would try to tackle spiralling wage rises in the private sector, which officials acknowledge would be more difficult to control.

Taiwan's old guard hangs on, Page 10

## British Gas may be broken up by UK government

By Deborah Hargreaves in London

BRITISH GAS, one of Europe's largest energy companies, would be forced to sell its trading activities and see the eventual abolition of its monopoly over household supply if the UK government adopts recommendations made yesterday by the country's Monopolies and Mergers Commission.

The report proposed a nine-year timetable for the introduction of competition into the entire UK gas market.

The proposals were much more far-reaching than had been expected in the gas industry. If accepted by the government, they would lead to the largest corporate break-up ever seen in the UK, and bring about a complete transformation of gas transportation and supply.

British Gas, which was privatised by the UK government in 1986, had turnover approaching \$10.3bn (\$1.6bn) in 1992, of which \$1.1bn arose from UK gas supply. The introduction of full competition into household gas supply would go further than any other country, including the US, in freeing up the market for domestic customers.

British Gas said the proposals would result in the loss of at least 20,000 jobs at the company and keep its profits below the levels achieved in recent years. But the company's shares rose 4p to 328p on the London Stock Exchange.

Gas chief welcomes 10-year working framework.....Page 7  
Editorial Comment.....Page 11  
Lex.....Page 12  
London stocks.....Page 21

Mr Cedric Brown, chief executive of British Gas, said the report's recommendations should allow the company to plan ahead with greater certainty. However, he said it would place British Gas under financial strain forcing a stringent review of its entire investment programme.

The monopoly authority suggested a phased introduction of more competition into the gas market with a partial opening up on March 31 1997.

The company's trading arm would have to be sold off by then to remove any conflicts of interest between its own marketing activities and its operation of the pipelines network.

A complex pricing formula which governs the charges British Gas can levy on households should also be eased slightly, the commission suggested.

Mr Michael Heseltine, trade and industry secretary, will have to decide whether to enshrine the commission's recommendations into law. The government could shy away from changes which could lead to higher prices for domestic customers.

Mr Neil Hamilton, consumer affairs minister, said the government had not reached a view

on the commission's findings. In addition, the government may want to push ahead with the introduction of competition more quickly. Ofgas, the industry regulator, said it believed the commission had been "overly cautious" in its proposals for freeing up the market.

Ofgas and many of British Gas's rivals which supply industrial customers would like to see the gas market freed up at the same time as electricity supply, scheduled for 1998.

The monopolies inquiry was called a year ago after a series of rows between British Gas and its regulator, Sir James McKinnon, head of Ofgas, wanted the Commission to set a rate of return that British Gas should be allowed to earn from its pipeline operations. Mr Brown, however, requested a full review of the company's activities.

British Gas was last subject to a Monopolies Commission investigation in 1988 because competition in the industrial supply market had been slow to develop since privatisation. The inquiry concluded that this resulted from lack of access to gas supplies and recommended that British Gas buy no more than 90 per cent of gas from new North Sea fields.

British Gas yesterday said the government should consider setting up a body to regulate Britain's regulators after the Monopolies Commission rejected a request by it and other companies for an examination of the overall system of regulation.

## SE-Banken cancels request for state aid

### Swedish bank in rights issue

By Christopher Brown-Humes in Stockholm



Swedish prime minister Carl Bildt meets the press in Stockholm on the day he welcomed SE Banken's decision to withdraw its request for state support and his government agreed to send Swedish UN troops to Bosnia. Nato faces a Sarajevo dilemma, Page 3

SCANDINAVISKA Enskilda Banken, Sweden's leading commercial bank, withdrew its request for state support yesterday, after disclosing plans to raise SKr5.3bn (\$860m) through the largest rights issue in Swedish banking history.

The bank also announced a return to profit in the second quarter and the first fall in loan losses since it plunged into crisis last year. "The crisis for the bank is over," said Mr Björn Svedberg, group chief executive. The performance was also seen as a sign that the worst is behind Sweden's banking sector, which has been ravaged by huge losses - mainly linked to collapsing real estate values - during the past two years.

Mr Carl Bildt, Sweden's prime minister, said the bank's decision to withdraw its application for state support was "good for tax payers, good for SE Banken and good for confidence in the Swedish economy".

The bank said it was withdrawing its request for state aid because it no longer felt in danger of falling through minimum capital adequacy requirements - a significant turnaround from its position in February when it first applied for help. The rapid

Continued on Page 12  
Lex, Page 12

## Rexrodt moves to defuse VW spying row with GM

By Quentin Peel in Bonn and Christopher Parkes in Frankfurt

Mr Günter Rexrodt, the German economics minister, yesterday stepped into the bitter dispute between the motor giants Volkswagen and Adam Opel, General Motors' German subsidiary, apparently aiming to defuse the conflict.

His intervention is a clear indication of concern at the highest levels of the German government over the damage done to the country's international reputation by the row over the alleged theft of industrial secrets.

Chancellor Helmut Kohl, as well as Mr Rexrodt himself, has already publicly urged the two sides to settle their differences.

Mr Rexrodt invited Mr David Herman, chairman of Adam Opel, for talks at the economics ministry in Bonn last night and he has agreed on a similar meeting with Mr Ferdinand Piech, the VW chairman, to be held on Friday. Both companies have agreed to the discussions.

A ministry spokeswoman said Mr Rexrodt was not seeking to mediate directly in the dispute, in which GM has accused VW of industrial espionage and the theft of confidential documents.

"He is merely seeking to inform himself about the situation, and about the arguments on both sides," she said.

The move was immediately welcomed by VW as a step towards peace talks between the two companies. They have been at loggerheads since Mr José Ignacio López de Arriortua, former global purchasing director

GM diesel engines to be built in Germany.....Page 12

for GM, defected to VW in March. GM accused Mr López and several associates of systematically plundering industrial secrets before their departure.

There was less enthusiasm from senior officials at Opel, who insist that before the two companies can sit down together Mr Piech must withdraw what Opel sees as anti-American accusations against GM, and his suggestion that the US company was somehow responsible for planting its secret documents on VW employees.

In a furious outburst last month, Mr Piech suggested GM was trying to damage VW in a commercially motivated war. This week he underscored his

commitment to his production director, repeating that he would "put my hand in the fire" for Mr López.

Opel officials added yesterday that the company would not enter peace talks while the German legal authorities were in the middle of an investigation into allegations of theft, industrial espionage and fraud.

At VW, Mr Otto Wachs, a company spokesman, said the Rexrodt initiative was "very much to be welcomed, because it supports us in our efforts to talk to each other. For two weeks we have been trying to initiate talks with Opel, but so far without success," he said.

Yesterday, Mr Georg Nauth, spokesman for the public prosecutor in Darmstadt, which is responsible for the investigation, expressed some doubt about VW's move to appoint independent assessors KPMG Deutsche Treuhand. He insisted that his office was already in possession of more information than would be available to an independent investigator.

"An independent investigator cannot undertake searches, and cannot confiscate documents, and cannot make inquiries at Opel," he said.

You think our investment trusts are successful.  
What about the other 70% of our business?

75% OF OUR ASSETS UNDER MANAGEMENT ARE NOT INVESTMENT TRUSTS  
50% OF MONIES COME FROM OVERSEAS INVESTORS  
40% OF OUR ASSETS UNDER MANAGEMENT ARE FIXED INTEREST  
10TH LARGEST PEP PROVIDER FOR TAX YEAR 1992/93

With over £9 billion under management, the creator of the world's first investment trust in 1868, is recognised as a major global investment house.

In 1992 alone, the Hypo Foreign & Colonial group received nineteen commendations for performance excellence.

As an institutional or private investor, shouldn't you be investing in innovative management and time-proven performance? For further information about our range of investment products and fund management services, please post the coupon.

Please send me details of Hypo Foreign & Colonial's range of investment products and fund management services. Hypo Foreign & Colonial (Management) Limited, PO Box 2, Taylors, Barchins, W10 1SW

Name.....  
Address.....  
Postcode.....  
H. FT1993/93

Hypo Foreign & Colonial

INVESTMENT TRUSTS • UNIT TRUSTS • PEPS • OFFSHORE FUNDS • VENTURE CAPITAL • CHARITIES, INSTITUTIONAL & PENSION FUND MANAGEMENT

Issued and approved by Hypo Foreign & Colonial (Management) Ltd. An approved representative of Foreign & Colonial Management Ltd, a member of F&C and of Foreign & Colonial Unit Management Ltd, a member of F&C, LAUTRO and AUTV. Past performance is no guide to the future. Hypo Foreign & Colonial (Management) Ltd, Exchange House, Princes Street, London EC2A 3NT



## NEWS: EUROPE

## French cut overnight rates again

By John Ridding in Paris

THE Bank of France cut overnight rates for the third time in eight days yesterday, continuing its strategy of gradually trimming borrowing costs in the wake of the European currency crisis.

The cut came amid firm denials by French monetary officials that they were seeking controls or taxes on foreign exchange flows as a means of curbing speculation against the French currency.

The franc strengthened following yesterday's 0.5 percentage point cut in 24-hour borrowing rates to 8.75 per cent. It closed at 3.517 to the D-Mark, up from 3.544 at Monday's close, but still about 10 centimes below its previous European exchange rate mechanism floor rate of FF13.4305.

The currency has stabilised since the end of the last week when revelation of a substantial net deficit in the central bank's foreign exchange reserves raised fears of a prolonged period of high interest rates.

These were compounded by comments by Mr Edouard Balladur, prime minister, that France would propose measures to curb speculation and

stabilise the international monetary system.

But French monetary officials said yesterday that the idea of reintroducing capital controls was "totally absurd". Alternatives, such as taxing foreign exchange transactions or requiring commercial banks to place funds with the central bank to match overseas lending, were also dismissed.

"Restricting the freedom of capital movements would be a move in the opposite direction to the one we want to pursue," said one financial official. France's objective of closer economic and financial integration between EC countries would be undermined by restrictions on capital flows.

Yesterday's interest rate cut still leaves overnight borrowing rates above their pre-crisis levels of 7.75 per cent. The 5-10 day borrowing rate, suspended during the crisis and reintroduced at 10 per cent, was left unchanged. The intervention rate, the floor for money market rates, has also been left at 6.75 per cent since the crisis.

Economists said the Bank of France would probably bring overnight rates down to pre-crisis levels within the next month, as long as the franc stayed relatively stable.

## Paris sets out plan for jobs increase

By John Ridding

THE French government has finalised a five-year plan to fight unemployment by reducing the costs of hiring workers while maintaining social benefits, the Labour Ministry said yesterday.

Government officials said that the scheme would be the centrepiece of its strategy to reduce unemployment, forecast to rise to 12.5 per cent by the end of the year. But they declined to give details before the plan is formally announced on Thursday.

The plan is expected to include a fixed timetable for the government's commitment gradually to take over from employers the burden of social security charges for employees' families. The French government has already cut employers' payments for the lowest paid workers and is committed to doing away with them entirely.

The plan may also include modifications to the SMIC, the inflation-indexed minimum wage. The SMIC is blamed by many employers and political commentators as one of the principal factors in France's high unemployment rate, particularly among the young.

The unemployment rate for 15-25 year olds is about 20 per cent, one of the highest rates in Europe.

But Mr Edouard Balladur, the prime minister, said last week in a television interview that he did not want "to use the pretext of an economic crisis to reduce the protection of the least advantaged in the country".

Officials at the Labour Ministry said that the main emphasis of the plan, which contains about 50 measures, would be the simplification of procedures and the reduction of costs relating to access to the labour market, training and state administration.

Mr Balladur will discuss the plan with trade unions and employers on September 6. It will go to the full cabinet on September 15 and be presented to parliament from October 4.



Mr Jacques de Larosière: a clear field

## De Larosière secure as president of EBRD

By Robert Peston

THE Bank of France governor, Mr Jacques de Larosière, will be named new president of the European Bank for Reconstruction and Development tomorrow. The bank was set up in 1991 to make investments in eastern Europe and the former Soviet Union.

The election process to replace Mr Jacques Attali, who quit last month amid claims of extravagant spending at the EBRD, does not formally end till the close of business today. However, Mr de Larosière yes-

terday became the only candidate when Mr Leszek Balcerowicz, the former Polish finance minister, withdrew.

"Even if Mr Balcerowicz had continued to contest the election, it would not have made any difference," said an EBRD executive. "Mr de Larosière has already secured enough votes."

The bank is owned by 56 countries and international agencies. More than 50 per cent of its share capital is owned by the Group of Seven leading industrial countries, which have voted for Mr de Larosière.

The successful candidate needs a majority measured both by countries and by shares.

Mr Attali has returned to Paris where he is working from an office at the conseil d'état, which advises the French government on constitutional issues.

One of Mr de Larosière's first tasks will be to reassess the bank's mandate, to determine whether it should invest a greater proportion of its capital in the public sector and whether it should take greater risks.

## Brussels to investigate potash merger

By David Gardner in Brussels and Judy Dempsey in Berlin

THE European Commission has started a detailed inquiry into the planned merger of two potash producers in west and east Germany, which it fears might create a monopoly.

The proposed merger is between the potash and rock salt business of Kali + Salz, a subsidiary of BASF, and Mitteldeutscher Kali, an east German producer being privatised

by the Treuhand agency.

After a month-long investigation, the Commission has concluded that "the merging companies will have an extremely high combined market share or even enjoy a monopoly with regard to the supply of potash products in Germany".

The Treuhand, however, said the merger would reduce annual potash capacity in Germany from more than 4m metric tonnes to 3.1m tonnes, and make the industry more competitive.

The aim of the merger is to secure as many jobs as possible, as well as investments for the potash industry in eastern Germany, and at the same time reduce capacity," a Treuhand spokesman said.

Brussels now has four months to decide whether to let the merger through, under vetting powers granted nearly three years ago. Since then, it has blocked only one of 165 cases - the planned Franco-

Italian takeover of Canadian aircraft-maker de Havilland.

But 11 cases have reached the "in-depth investigation" stage now opening for the German potash alliance. In seven instances, the companies involved have been forced to alter the terms of their proposed merger, usually by divesting assets, ending capital or contractual links between competitors, and the cancellation of exclusive distribution arrangements. One Commis-

sion official suggested yesterday that the terms of the Kali + Salz/MdK merger might also have to be altered.

The Commission is also examining whether to authorise around DM1bn (\$695m) in state aids provided through the Treuhand to cement the alliance, although it has generally treated state aid for the restructuring of east German industry indulgently.

## Georgian arrest in US envoy's killing

THE Georgian authorities said yesterday they had arrested the man who shot US diplomat Fred Woodruff earlier this month, but described his death as a "chance killing". Reuter reports from Tbilisi.

"The crime has been solved. The criminal has been identified, the investigation is proceeding, and we expect him to go on trial," the first deputy interior minister, Mr Mikhail Osadze, said on radio.

Mr Woodruff, who according to unconfirmed US press

reports was working for the Central Intelligence Agency, was killed with a single bullet to the head on August 8 while travelling in a car with Georgian leader Eduard Shevardnadze's security chief.

Mr Osadze, speaking to Reuter by telephone, said the unnamed suspect had apparently fired in an attempt to stop the car in which Mr Woodruff was travelling, but had not intended to kill any of the passengers.

reports were working for the

Central Intelligence Agency, was killed with a single bullet to the head on August 8 while travelling in a car with Georgian leader Eduard Shevardnadze's security chief.

Mr Osadze, speaking to Reuter by telephone, said the unnamed suspect had apparently fired in an attempt to stop the car in which Mr Woodruff was travelling, but had not intended to kill any of the passengers.

By Leyla Boulton in Moscow

RUSSIA launches the first official privatisation of oil companies today.

On offer are just 8.3 per cent of Kominet, which produces oil and gas, and two of its subsidiaries. Tebukneft, which produces oil, and Snabneft, which supplies oil equipment. The fact that only a small proportion of shares are on sale, compared to stakes offered in manufacturing and services, reflects the political battle around privatisation, particularly of such a key industry.

Despite attempts by Mr Anatoly Chubais, privatisation minister, to switch companies from socialism to capitalism as fast as possible, there has been well-argued opposition to giving away shares in an industry requiring particularly large capital investment.

Russian parliamentary leaders yesterday accused President Boris Yeltsin of planning "to seize power from the legislature" on Friday, the second anniversary of the failed coup launched by Russian hardliners in 1991, write Chrysia Freeland and Dmitry Volkov in Moscow. There is widespread concern that the power struggle between conservatives and reformers in the leadership could come to a head on that day, when rival demonstrations are planned.

Subscription for shares, offered in exchange for privatisation vouchers given to each Russian citizen but purchasable by foreigners and others, is open until September 15.

Mr Valentin Leonidov, director-general of Kominet, said another 8 per cent of his company would be put on sale later for money, with the proceeds providing a welcome "if insignificant" financial boost of perhaps Rb5bn.

He hoped to attract some foreign investors. Kominet is one of Russia's better-run oil companies. "Leonidov is excellent," said one western oil executive whose company has a joint venture with Kominet. "With Kominet, you would be buying into something that's functioning relatively well already."

Starved of investment by the state, a quarter of his oil wells are idle, and he expects his production, including that produced by joint ventures, to fall to 12m tonnes this year from 12m last year.

He has so far relied mainly on foreign capital to help redress the situation, setting up five joint ventures with foreign partners which supply equipment in return for the right to export oil produced.

**THE FINANCIAL TIMES**  
Published by The Financial Times (Europe) GmbH, Nibbelingsplatz 3, 60118 Frankfurt am Main, Germany. Telephone: +49 69 156 830. Fax: +49 69 394481. Telex: 416193. Represented by Edward Hoag, Managing Director, Printer: DVM Druck-Vertrieb und Marketing GmbH, Adminal-Rosendahl-Strasse 3a, 61263 Neuss-Benrath (owned by Hürring International).  
Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany) Advertising Ltd, London. Shareholders of the above mentioned two companies are: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

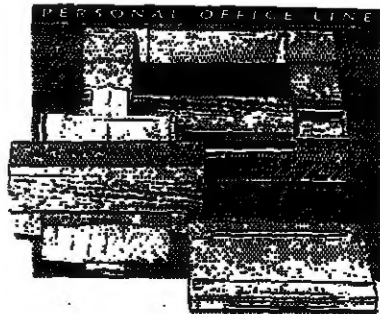
**FRANCE**  
Publishing Director: J. Rolley, 108 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone: (01) 4297-0621. Fax: (01) 4297-0625. Printer: S.A. Nord Editeur, 1521 Rue de Caen, F-91000 Evry-Courcouronnes Cedex. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 678880.

**DENMARK**  
Financial Times (Scandinavia) Ltd, Vinmonopolstræde 42A, DK-1161 Copenhagen K. Telephone: 33 13 44 41. Fax: 33 95 33 35.

# IT'S AS GOOD FOR THE IFD AWARD AS IT IS FOR YOUR DESK.

When the Canon Printer IP-200 was honoured by the Industrie Forum Design in Germany earlier this year, we consolidated a confirmation of our belief that office equipment should be designed to look better as well as work better. We're convinced that people work better when they

work with pleasure. And pleasure doesn't come only from the functional parts of Canon faxes, printers and copiers. Because while we're giving our full attention to increasing the printing speed, facilitating the usage, reducing the footprint and making colours more intense and beautiful, we have eyes for the design too. And we're glad this is appreciated by the most severe jury of all: our customers.



**Canon**  
A PLEASURE TO WORK WITH

Canon Europe S.A. P.O. Box 2362, 1100 FG Amsterdam, The Netherlands

هكدامن الاصل



## Bosnia talks at impasse on carve-up

By Laura Silber in Geneva

BOSNIA'S President Alija Izetbegovic yesterday remained at loggerheads with his Serb adversaries over the division of Serb-held eastern Bosnia, which was mostly Muslim before the outbreak of war 17 months ago.

The deadlock highlighted the apparently irreconcilable differences between the two sides over eastern Bosnia. Bosnian Serbs claim the bulk of the region, which borders on Serbia.

Mr John Zambetica, the Bosnian Serb spokesman, said: "The Muslim side claims most of the territory of eastern Bosnia and would like to exercise sovereignty there. From the Serbian view that is unacceptable. It fails to take into account the reality of the ethnic distribution of population."

In contrast to official census reports from 1991, Mr Zambetica insists that Serbs then comprised the majority in the region. He dismissed as "unrealistic and maximalist" the demands of Mr Izetbegovic, a Muslim.

Mr Izetbegovic, in a written statement, said no progress was made after a 90-minute meeting. Mr Mohamed Filipovic, a Muslim opposition politician, said that the two sides "were operating on completely different principles", one based on military gains and the other on the ethnic composition of areas before the war began. The impasse came a day after the announcement that the

leaders of Bosnia's three warring parties had agreed "in principle" to demilitarise Sarajevo and place the Bosnian capital under interim UN administration.

However, after the first meeting of the three-man committee established to make recommendations on the future status of Sarajevo, Mr Filipovic, one of its members, said: "The only thing we agreed on is that we disagree."

"The US is trying to exert pressure on the Serbian side and Lord Owen is trying to soften that pressure," he added as international mediators pressed forward with negotiations on the maps.

Mr Zambetica said Serbs were willing to make some compromises over the eastern enclaves of Zepa, Gorazde and Srebrenica. Serb forces expelled and killed hundreds of thousands of Muslims, confining the rest into the three enclaves proclaimed "safe areas" by the UN.

A Serbo-Croat proposal for the maps leaves the Muslims, who made up 44 per cent of the pre-war population of 3.5m, in a landlocked republic consisting of two parts as well as the three pockets in eastern Bosnia. The plan does not give any guarantee of access to Adriatic ports.

In contrast, a map proposed by the Bosnian government claims most of eastern Bosnia and territorial access to ports on the Sava River at Brcko, north-eastern Bosnia, and the Adriatic.

## The setting up of a UN protectorate needs political will as well as firepower Nato faces a Sarajevo dilemma

By Gillian Tett

WHILE Monday's tentative agreement at the Bosnian peace talks on the future of Sarajevo might have marked a welcome breakthrough for the Geneva mediators, it has left Nato facing another military headache.

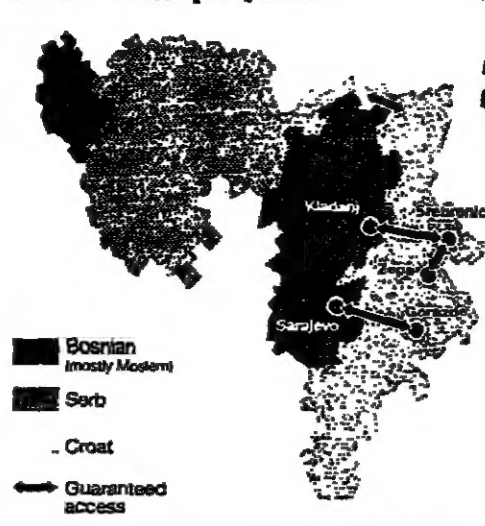
Few doubt that if the settlement being discussed at Geneva is to have any hope of success, it will require the largest ever deployment of peace-keeping forces in the United Nations' history.

But though a speedy deployment will be essential for the policing of any agreement, diplomatic sources yesterday indicated that the key questions of who would provide the troops - let alone actually pay for them - remains far from resolved.

Although Nato officials insist that there is still the political will in the alliance to ensure the necessary deployment, the failure to reach an agreement so far remains one of the many "chicken and egg" dilemmas that could yet derail the peace process. Without a firm military commitment to police a settlement, there seems little likelihood of ending the negotiations. However, after months of broken cease-fires and peace agreements, most western countries argue that they cannot offer more troops until they have a clear agreement.

A Nato source in Brussels yesterday said: "The fact is that without implementation there can be no agreement. President (Alija) Izetbegovic is never going to sign anything until he thinks he knows exactly what protection he will have." Faced with this situation, Lord Owen, the interna-

Serb-Croat proposal



Bosnia-Herzegovina proposal



Nato officials yesterday attempted to maintain their pressure on the Bosnian Serbs by reiterating that the threat of air strikes in Bosnia remained a valid one, writes Gillian Tett.

Speaking in Brussels, officials said that they would expect the Serbs to show further "change of attitude" across Bosnia, before the threat of air strikes receded.

The warning came as UN officials in Sarajevo indicated that they were increasingly concerned

about the plight of 35,000 Muslims trapped in Mostar, Bosnia's second city, by Croat and Serb besiegers.

In an apparent reference to Mostar, Mr Mike McCurry, US state department spokesman, earlier warned that Washington would be watching to see whether food and water supplies reached "not only Sarajevo, but other safe areas in the region". In judging whether to press ahead with air strikes,

tional mediator, was yesterday at pains to reassure the Muslim delegation that the 3,000 UN protection troops currently in Sarajevo should be enough to make the recent agreement to run the city as a UN protectorate viable.

In practice though, UN officials admit that they have little idea what the protectorate would actually entail. They point out that if the peace-keepers are to act as anything more than military observers, they would probably require a force of at least 6,000. Further

afraid, the figures become even more uncertain. The previous peace settlement drawn up in the spring, which divided Bosnia into 10 semi-autonomous provinces, envisaged a peace-keeping force of around 70,000, of which a third were expected to be US troops. Under the present plan, on the basis that fewer borders would require fewer soldiers, military strategists now believe that some 35,000 to 45,000 troops would be sufficient for the operation, according to some diplomats.

Since the UN already has

24,000 ground troops in the former Yugoslavia, of which 10,000 are currently in Bosnia, Nato officials argue these troops could provide the necessary stop-gap solution.

But since they are operating under a humanitarian brief, deploying them as peace-keepers would require a new UN resolution - potentially another delaying factor. And with the UN already facing its worst cash crisis in its history - in which the countries contributing peace-keeping troops are already owed some \$380m

(£241.6m) - it remains unclear where the extra 20,000-plus troops would come from.

In the light of Washington's previous refusal to commit any ground troops, the European members of Nato are now hoping that the largest provider will now be the United States.

One possibility suggested by a Nato source, was for the US to spearhead the initial peace-keeping force - as in Somalia - before withdrawing after several months to be replaced with a much smaller, more "traditional" UN peace-keeping force, in which a large proportion of the troops would probably be from non-Nato countries. A number of Muslim and non-aligned countries, including Pakistan, Bangladesh, Malaysia, Indonesia, Jordan and Turkey have indicated that they might be prepared to contribute to the force.

But with the US government facing strong opposition in Congress against any agreement which would leave it endorsing an ethnic partition of Bosnia, Washington has pointedly refrained in recent days from making watertight commitments on the issue. Countries such as Britain and France, which have so far contributed the largest number of troops to Bosnia, appear reluctant to envisage any broader commitment.

Even if an agreement is reached, the deployment itself is unlikely to be speedy. Colonel Andrew Duncan, of the International Institute for Strategic Studies in London, said: "Generally it would take at least a month before they could set off. You've got to paint the vehicles white, find the blue hats, set up the communication network - all these details take time."

## Romania gives rail strikers ultimatum

By Virginia Marsh in Bucharest and agencies

THE Romanian prime minister, Mr Nicolae Vacaroiu, yesterday gave striking train drivers an ultimatum to get back to work or face instant dismissal and replacement by pensioners.

Mr Vacaroiu's announcement came at the end of an emergency meeting of the minority left-wing government which he called to take "exceptional measures" against the week-old pay strike.

The strikers have already ignored appeals by President Ion Iliescu and their own union to end the strike which is taking place in defiance of an 80-day supreme court ban on work stoppages.

President Iliescu chided the train drivers by saying they were already a privileged group of workers with an average wage higher than the country's university professors, surgeons and airline pilots. The cabinet claimed the stoppage had caused losses to the country equivalent to \$317m (£212m).

A government statement said extra police and gendarmes would be posted to guard stations and depots in case of disturbances and would be used to remove strikers from railway property if necessary. "We urge retired train drivers who wish to help the country in this difficult moment to go to railway offices to register for work," the statement added.

The drivers are seeking a 20-30 per cent wage rise and new pay differentials.

## Czech recession persists despite market reforms

By Patrick Sham in Prague

AFTER three years of steady market reforms, the Czech economy remains hamstrung by a recession which is proving more difficult to shake off than expected, though officials believe the worst may be over.

The finance minister, Mr Ivan Kocarek, is confident the government's 1993 targets will be met, though with a more modest growth rate of 1 per cent and with inflation - aggravated by the introduction of value added tax in January - at around 17 per cent.

The Czech National Bank endorsed the minister's cautious optimism in a report showing private and public demand rising 12 per cent and 16 per cent respectively in the first half of the year compared with the period in 1992.

But analysts believe it will be difficult to turn around an economy labouring under a fourth consecutive year of declining output. Industrial production dropped 4 per cent and gross domestic product fell 1 per cent in the first six months compared with last year, when output already had declined sharply.

Efforts to build a market economy have been hampered by recession in western Europe, the collapse of traditional markets in the east, and the extra costs arising from the

break-up of Czechoslovakia. Rising protectionism in western markets has been an additional handicap, though, apart from sensitive sectors such as steel, the overall effect on the Czech economy of restrictions on imports into the European Community have been exaggerated by politicians. The Czech Republic has a trade surplus with the EC.

Industry is running below capacity, but this is due not simply to lack of access to markets, but also to poor marketing skills and structures. Czech industry also needs time and capital to modernise and improve product quality.

The Industry Ministry recently warned that the lower quality and rising costs of Czech products - at a time when recession and devaluations made western European manufacturers more competitive - was causing a decline in local demand. Officials fear that big companies such as Volkswagen, which is currently going through fierce cost-cutting measures, could abandon plans to develop local supplier networks for its Skoda venture in the Czech Republic and turn to west European producers instead.

The staunchly free market government of the prime minister, Mr Vaclav Klaus, has rejected calls for a devaluation to make Czech products more

competitive, saying companies must become more efficient. The government is concerned that inflation and rapidly rising wages could undermine prospects of recovery and frighten foreign investors, who invested more than \$1bn (£500m) in the Czech territory in the three years before Czechoslovakia split.

The average industrial wage has risen by more than 22 per cent compared with a year ago - while productivity has stagnated - and Mr Klaus is determined to bring wages under control. He says that Germany's economic success was built on productivity growing faster than wages. Labour costs are still about a tenth of those in Germany, but competition for investment from other ex-communist countries is fierce. However, with unemployment at 14.8, or 2.8 per cent, the Klaus warning loses much of its impact. Prague has no unemployment. Laid-off workers are absorbed in the city's bustling private sector.

Extensive indebtedness is another problem. About a third of privatised companies are believed to be technically bankrupt. Total inter-company debt is estimated at about Kcs 150bn (£3.48bn). Since a new bankruptcy law came into force in April there has been a steady trickle of official bankruptcies, but its full effect has yet to be felt.

Zurich is a major international insurance group.

Present on all continents, it is strongly based in more

than 40 countries. Our companies focus on selected

market segments, and they concentrate on acquiring

special expertise in these fields. That is why we

understand our customers' needs

and expectations better than other

players in the insurance industry.

Deutsche Allgemeine is one of

our insurance companies. It sells ser-

vices to its customers directly. It has

been doing so for many years, with

great success. First, because its wealth

of experience in direct marketing has

made it a specialist in the field. But also because its

direct assistance, together with substantial price

advantages, meets the needs of many customers.

More for your insurance.

Customers  
know we are  
on hand,  
even if we don't  
visit them.



ZURICH  
INSURANCE GROUP

## British Railways Savings Company Limited

British Railways Board is considering the sale of its employee savings company.

British Railways Savings Company Limited currently has approximately 33,500 depositors. It is authorised by the Bank of England as a deposit taking institution under the Banking Act 1987 and any change of ownership will be subject to regulatory approval.

Interested companies should contact:  
Stuart Warriner or Chris Appleby,  
Price Waterhouse Corporate Finance, 89 Sandyford Road,  
Newcastle upon Tyne NE99 1PL  
Telephone: (091) 232 8493 Fax: (091) 230 5464

Price Waterhouse

Price Waterhouse is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business



## NEWS: INTERNATIONAL

## Yen eases against dollar

By Gordon Cramb  
in Tokyo

THE YEN fell against the dollar in Tokyo yesterday for the first time in more than a week after the new seven-party government signalled that it intended to formulate measures to deal with its advance.

An official said the strength of the yen - which traded within a fraction of ¥100 to the dollar yesterday and is devastating exporters - would be high on the agenda when key cabinet ministers meet tomorrow to assess prospects for the country's emergence from economic slowdown.

Before the meeting, called last week, the coalition included only that short, medium-

and long-term measures could all be deployed to check the rise in the yen. The first of these would need to be implemented by autumn.

The Bank of Japan has been widely expected to cut its official discount rate next month by half a point to an historic low of 2 per cent. Business is also calling for an early deregulation of utility rates and a fiscal stimulus to the domestic economy.

Mr Morihiro Hosokawa, prime minister, who will return from holiday for the meeting, said from a mountain resort north-west of Tokyo that it must be ensured that calm returns to the currency market.

Mr Hosokawa's comments came as the yen traded in

Tokyo at a morning high of ¥100.40, but the rate to the US unit closed at ¥101.55, down ¥0.30 on the day as dealers moved to cover short positions.

The government has avoided indicating whether it has in prospect a package of public works spending and tax cuts of the order of the ¥13,200bn (£38bn) unveiled by the previous Liberal Democratic party administration in April or the ¥10,700bn meted out last August.

At the resort, Karuizawa, Mr Hosokawa yesterday met Mr Keiichi Miyazawa, his LDP predecessor, to discuss Japan-US trade friction and other issues. In Washington overnight Mr Lawrence Summers, US treasury undersecretary, urged Japan to take measures of this

nature to help reduce its trade surplus.

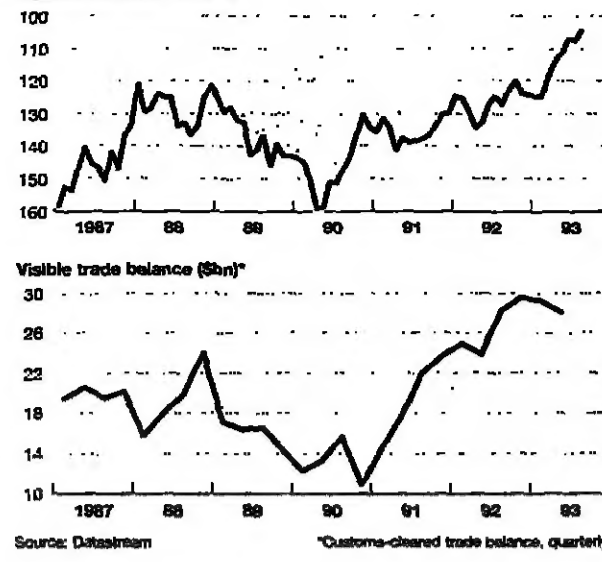
An increase in net payments to the private sector by the government was the prime reason given by Bank of Japan officials yesterday for a 1.7 per cent rise in M2 money supply in July.

The year-on-year growth came for the fourth month in a row, and was sharper than a 1.4 per cent increase in June. The construction ministry said June public works starts were up 1.5 per cent from 1992 but for the private sector were down 25.6 per cent.

At tomorrow's meeting ministers may discuss suggestions being made by officials in mid-year that the economy had touched bottom.

## The rising yen

Against the dollar (¥ per \$)



## Japan's LDP fears for its cash supply

Gordon Cramb on company doubts over party donations

JAPAN'S Liberal Democratic party, out of office for the first time in 38 years, suddenly also finds itself seriously out of pocket.

The country's biggest companies began saying yesterday that they were halting contributions to the LDP and its parliamentary representatives after learning that the Keidanren, the leading business grouping, was backing efforts by the new ruling coalition to clean up politics.

The Keidanren is from next year to stop acting as a conduit of funds from its members to political parties, of which the most by far has gone to the LDP. Although federation officials said it would be up to companies whether they made donations directly, as many have done in addition, its move is influencing the private sector to scale these back too.

Mr Ryuzaburo Kaku, chairman of Canon, the camera and copier producer, said his company would halt all political donations. "Nothing will change unless companies drive the political world into a corner," he added. Officials at the country's big trading houses said they too were suspending contributions.

The Keidanren decision cuts off an annual line of funds to

to shift the basis of party funding in Japan towards donations by individual supporters plus assistance from central government funds.

The Japan New party of Mr Morihiro Hosokawa, the prime minister, says a checkoff system of voluntary payroll debits is being examined, and that it would possibly offer tax incentives for those who sign up - the justification being that the system would involve citizens more in the democratic process.

Its final form remains unclear, however, and is likely to be the subject of parliamentary haggling not only with the LDP, which will fight against any tough curbs on corporate funding, but also among the seven members of the coalition. One of its number, the Democratic Socialist party - which despite its name is a former close ally of the LDP - has also been a beneficiary of Keidanren funds, getting ¥1bn a year.

"Underhand donations are bad, but it is not natural to stop legitimate donations," the DSP complained this week.

It and the Social Democratic party, which is more strictly socialist in nature and is the largest of the seven, are both suggesting that a new funding arrangement would need to be phased in over a few years. The SDP draws much of its funds from trade unions, and is willing to forego these only if it can be assured of an adequate replacement.

Mr Hosokawa has pledged to enact political reform by the end of the year, paving the way for fresh polls next summer under a changed electoral system. Whether an alternative stream of funds for candidates to fight that campaign will by then be running remains uncertain.

The LDP is additionally burdened with an estimated ¥10bn in commercial bank borrowings used to help finance last month's campaign.

"Does it mean the LDP is no longer needed following the collapse of the cold war structure, even though the party has protected the free-market economy?" one unnamed party official was quoted as asking.

Each year from then, party leaders would go to the Keidanren with a budget. This the federation would apportion among its members on the basis of how business had been for their company and sector - from each according to its ability, to the LDP according to its needs.

Big business is likely to retain ties of a sort with the LDP, not least because the durability of the current coalition remains in doubt. But the severing of the party plinth from its financial plinth resounded in Tokyo yesterday like the toppling of a Soviet statue in an east European capital.

## Israeli-backed south Lebanon militia pounded by guerrillas

By Julian Ozanne in Jerusalem

ARAB guerrillas blasted positions of Israel's proxy militia in southern Lebanon drawing retaliatory fire yesterday, in the fiercest attack on the zone since last month's Israeli offensive.

The resurgence of violence came a day after Syria, the main power-broker in Lebanon, warned the Beirut government against taking independent action in southern Lebanon, such as the recent decision to deploy Lebanese soldiers in the area.

The pro-Iranian Hizbollah,

which constitutes the backbone of the Lebanese "resistance" to the Israeli control of a self-declared security zone in southern Lebanon, has vowed to continue attacks despite an informal ceasefire agreement brokered last month by Mr Warren Christopher, US secretary of state.

Israel has said it will respond harshly to any new attacks on its forces.

A further escalation in violence is expected in the run-up to the eleventh round of Middle East peace talks, due in two weeks in Washington, which Hizbollah opposes.

Syria, which could exert its influence to curb Hizbollah attacks, has sent conflicting signals about peace with Israel and the role of Hizbollah, which it continues to use as leverage against the Jewish state.

Last month, during Mr Christopher's visit to the region, President Hafez al-Assad bolstered Israeli hopes of a breakthrough in bilateral peace talks by sending a series of messages to Jerusalem.

However, the Syrian leader has refused to completely halt Hizbollah's activities and has strongly criticised the Lebanon government's troop deployment, which was scaled down when Damascus expressed reservations.

Meanwhile, the Palestine Liberation Organisation said yesterday it would - for the first time - appoint some Palestinian negotiators from the Israeli-occupied territories to its highest decision-making bodies. The PLO, ruling out prospects for progress in the next peace talks, made the move as part of its continuing strategy to force Israel to open a direct dialogue with the organisation as the only way to unblock the peace process.



Residents in the southern suburbs of Manila use guide ropes to steer them through streets waist deep in water yesterday. Heavy rainfall caused by a tropical storm off the coast has continued to bring severe flooding to low-lying areas of the Philippine capital

## Singapore starts telecom sell-off

By Kieran Cooke  
in Kuala Lumpur

THE SINGAPORE government has announced details of the partial privatisation of Singapore Telecom (ST), the state-owned telecommunications and postal service.

Mr Mah Bow Tan, the Singapore communications minister, said the government planned to float an initial 8 to 9 per cent of ST in October, with about half the first offering of shares being available through tender and open to foreign investors, and the rest allocated to Singapore citizens.

ST is one of Singapore's most successful and cash rich companies and the flotation of the company has been billed as the largest single privatisation so far in South-East Asia.

However there was some surprise among Singapore's financial community that a greater share of the company would not be avail-

able in the initial offering.

Mr Mah said a second public offering would be made within three years and eventually the government planned to sell off up to 25 per cent of ST.

"The government is being ultra cautious on this one," said one broker. "ST is a prime state asset. The government is determined to make sure nothing goes wrong."

When floated, it is estimated that ST will be worth between \$515bn and \$520bn (£36bn-£38bn).

The Singapore government is making efforts to increase public share ownership and has offered a number of incentives to people to buy ST shares. Participants in Singapore's Central Provident Fund, a compulsory savings scheme, will be able to buy quantities of ST shares at a 45 per cent discount. There will also be bonus issues for those who hold on to their shares for an extended period.

## New wealth tax for Pakistan

By Farhan Bokhari  
in Islamabad

THE PAKISTANI government is this week expected to announce a new wealth tax on landowners, and also a possible income tax on agricultural, according to senior officials.

The taxes would be seen as a breakthrough by the government of Mr Benazir Bhutto, the interim prime minister who was appointed last month.

Pakistan's influential landowners are exempt from paying income and wealth taxes, and former prime ministers Mr Nawaz Sharif and Ms Benazir Bhutto both failed to widen the tax net to include the landowners, for fear of a political backlash.

However, Mr Qureshi, a former vice-president of the World Bank, says that he does not intend to seek political office after the elections which

are due in October.

The interim government's determined stance is also expected to contain tough measures in an effort to curb expenditure.

These include cutting the number of federal ministries, and a drive to prevent tax evasion and improve the public sector's financial position by raising utility charges and recovering arrears.

Meanwhile, Pakistan's central bank this week raised its discount rate from 15 to 17 per cent in an effort to encourage savings.

The commercial banks have since followed suit, raising their interest rates by 2 per cent to 23 per cent.

The rises have joined both money and stock markets, with some financial analysts and businesses expressing concern that they could depress rather than stabilise the economy.

## Babangida says he offered to quit presidency

By Paul Adams  
in Abuja

PRESIDENT Ibrahim Babangida yesterday told Nigeria's National Assembly that he had offered to resign as president and chief of the armed forces, but refused to say whether he actually planned to leave office.

His speech, which had been keenly awaited, failed to remove the uncertainty about the country's political future that followed Gen Babangida's decision to annul the June 12 presidential election.

Hopes that he might use the address to outline his own plans and the government's future saw him instead telling Nigerians that they "should see the present political situation as a temporary problem and rethink our journey so far, and our future."

The president has said he will turn over power to an interim government made up of civilians and soldiers, but has not said whether he will step down on August 27, his long-promised deadline for democracy.

Speaking to a joint session of both houses of the National Assembly in Abuja, the president stressed the interim government was not an extension, but a replacement of the military regime. He said he would announce its composition "in the next few days."

Defending his position, he said that there was no alternative to the choice of a president for Nigeria by democratic election, but the interim government was "the most feasible arrangement under the circumstances."

The president's address to the National Assembly was the first in eight months. He said he had run the most



Babangida: speech failed to remove uncertainty

documented administration in his country's history and would place before Nigerians a full account of his stewardship during the period of the interim government.

"I shall also be prepared and ready at the end of the interim government to pass on my experience in defence and security matters and any information relevant to the state," he said.

The political crisis has raised regional, religious and ethnic tensions in the country, triggering three days of riots that killed more than 100 people in Lagos last month and a general strike last week that shut the city down for three days.

Thousands of people have fled to their ethnic homelands in anticipation of widespread civil unrest.

Gen Babangida has repeatedly reneged on promises to return the nation to democracy.

Nigeria has been ruled by the military for the past decade and all but 10 of its 33 years of independence from Britain.

Editorial comment, Page 11

## NEWS IN BRIEF

## Indonesian troops 'to leave E Timor'

INDONESIA yesterday said it would withdraw all combat forces from the territory of East Timor, leaving only troops engaged in development projects, Reuters reports from Jakarta.

The official Antara news agency quoted Maj Gen Theo Syarif, military commander for the region, as saying all combat forces would be pulled out by October. He said 10 territorial battalions would remain after the combat troop withdrawal in September and October.

Since Indonesia invaded the former Portuguese colony in 1975 it has fought a guerrilla war against a dwindling band of Fretilin rebels. But despite its apparent military success the government has come under heavy international attack for its role in the territory, 2,000km east of Jakarta.

## Hussein changes voting rules

King Hussein yesterday announced controversial changes to Jordan's electoral law, laying the ground for the country's first multi-party elections since 1986, writes James Whittington from Amman. In a televised speech to the nation he said voting in the elections, due on November 6, would be based on one-person, one-vote.

The move has been seen as an attempt to curb the success of Moslem fundamentalists, who won 30 out of 80 seats at the last elections in 1988. It is likely to be strongly condemned by the Islamic Action Front, the political wing of the Moslem Brotherhood, which has threatened to boycott the elections if such a change takes effect.

Previously each voter cast more than one vote, depending on the number of seats in their constituency - up to eight in some cases.

## Vietnam debts financed

Japan and France will each pay \$50m towards settling Vietnam's \$140m arrears to the International Monetary Fund (IMF), sources close to negotiations on the deal said yesterday in Hanoi, Reuters reports from Hanoi.

At least five other countries - Australia, Belgium, Canada, Germany and Sweden - are expected to supply the remaining \$40m, the sources said.

Paying off the arrears will enable Vietnam - in line for up to \$1bn in new multilateral funding to improve its infrastructure - to seek fresh IMF loans in return for agreement on a structural adjustment programme.

The seven countries and possibly others are due to attend a Vietnam support group conference in Paris in mid-September to sort out the repayments, expected to be made through a banking consortium led by the Banque Française du Commerce Extérieur.

The sources said the repayments would not be a gift, but a loan, amounting to a rescheduling of the arrears.

## India to ease currency curbs

India is planning further liberalisation of currency regulations after successfully floating the rupee early this year, according to bankers. Reuters reports from Bombay.

Measures being considered by the Reserve Bank of India (RBI) include permitting cross-currency options and letting local banks invest in short-term deposits with banks overseas, they said.

"Dismantling of these restrictions could be the first steps towards the full convertibility of the Indian rupee on current account and later on capital account," a banker said.

With higher export inflows and growing foreign exchange reserves, bankers said, the RBI was expected to permit banks to invest their surplus deposits abroad in short-term deposits. Officials said an RBI announcement about this could be issued by the end of the month.

## HK talks make no progress

Chinese and British negotiators yesterday ended the ninth round of talks on the future of Hong Kong, with no report of progress towards an agreement, AP reports from Beijing.

Sir Robin McLaren, British ambassador to China and London's chief negotiator in the talks, said several more rounds were planned before the Chinese and British foreign ministers met in late September at the UN General Assembly. The 10th round of talks is scheduled for 4 and 5 September, the official Xinhua News Agency reported.

There have been no indications of real progress since the talks began in April, and critics of China in Hong Kong have accused Beijing of trying to drag the discussions on indefinitely.



Gaishi Hiraiwa of the Keidanren: denied favours

the LDP put at more than ¥10bn (£287m). With other corporate and industry association pledges it forms the bulk of the party's declared central funding of nearly ¥30bn a year.

Other corporate donations have gone to individual Diet members, most notoriously by construction companies seeking to ease the path to winning a contract or cut a way through a regulatory tangle.

Mr Gaishi Hiraiwa, Keidanren chairman, in explaining the initiative acknowledged that the public believed the donations had bought Keidanren members favours from the LDP during its years in government, although he denied this was the case.

His move, which comes as parliament prepares to discuss political reform next week, anticipates proposed measures

## Slower S Korean growth seen

By John Burton in Seoul

PRIVATE economic institutes yesterday predicted that South Korea's economic growth would slow to around 3 per cent this year as a result of the introduction of the real-name financial system last week.

The real-name system, which bans the use of aliases in financial transactions, is meant to reduce the size of the underground economy.

Four institutes, all associated with the country's large conglomerates, said the new system will further dampen corporate investment by creating business uncertainty.

It will also cause financial difficulties for small and medium businesses, which are dependent on the unofficial kimb market for credit. The kimb market is likely to be severely hurt by the new measure because it is largely funded by money held in false-name accounts.

The government in January set a growth target of 8 per cent for 1993 against last year's 4.7 per cent, the lowest growth rate in 12 years.

But the central bank last month estimated that GNP growth will reach 5.7 per cent because of declining corporate investments, which contracted by 7.3 per cent during the first half of

1993 due to sluggish demand both at home and abroad, excess production capacity and higher interest rates.

The central bank also blamed production disruptions caused by strikes at Hyundai, the nation's largest conglomerate, for slower growth.

Inflation is expected to accelerate to between 6 and 7 per cent from previous predictions of 5 to 5.5 per cent, according to the institutes.

This reflects growing private spending as consumers liquidate their false-name bank accounts and buy goods to avoid paying tax on their savings.

## Seoul presses Israel on ties with Pyongyang

SOUTH KOREA has asked Israel to stop seeking an improvement in relations with North Korea until suspicions over Pyongyang's nuclear programme are resolved, writes John Burton.

The South Korean request followed a meeting between Israeli and North Korean officials last week in Beijing. Israel has held talks with North Korea to persuade it to stop supplying Scud-C missiles to Syria and Iran. The tempo of contacts has increased following North Korea's successful

test firing in May of its Rodong-I ballistic missile.

North Korea reportedly has agreed to sell the missile to Iran. The Rodong-I could reach Israel from western Iran.

Pyeongyang proposed last October that Israel purchase a North Korean gold mine for \$1bn, the amount of money it said it would lose if it stopped selling missiles to Israel's enemies. Israel rejected that offer, but the talks continue on other forms of economic co-operation.



## ABB in link with Russian carmaker

By Andrew Barker

ASEA BROWN BOVERI, the Swiss-Swedish engineering group, has formed a joint venture with AvtoVAZ (Volga Auto Works), Russia's largest car manufacturer, to make fans in Russia for the domestic and industrial ventilation market.

The deal, announced yesterday, is another step in ABB's strategy to develop local production in Russia, which it views as a long-term opportunity. For AvtoVAZ, which makes Lada cars, the deal provides a use for spare capacity at its sprawling plant at Togliatti on the Volga River. A new company, Lada-Flakt, will manufacture ABB Flakt designs of axial-flow fans, which are more efficient and effective than conventional fans.

ABB said axial-flow fans were a well-established product in western markets, but were not well known in Russia. "This is why we feel we have a good chance to introduce the product," it said.

ABB will own 50 per cent of the new company, with 10 per cent owned by AvtoVAZ and 40 per cent by Lada-Flakt. The latter includes stakes held by Lada Holding Company, Lada Bank and the Lada workers, who will have a 16 per cent stake in the venture as part of the continuing privatisation process of AvtoVAZ.

ABB will provide technical know-how and special machinery.

Lada will provide 3,000 sq metres of factory buildings and remaining plant and machinery for the fan factory, which will employ about 100 existing Lada workers.

ABB said production would begin at the beginning of next year, and annual turnover was expected to be \$10m (\$3.7m). The joint venture would supply the Russian home market and countries in the Commonwealth of Independent States with a new generation of axial-flow fan designs.

ABB confirmed last month that it is in talks over the future of a Russian defence and aero-engine factory. It would not give further details yesterday on these talks, which could result in a joint venture to produce power plant for the local market.

AvtoVAZ has already established contacts with western companies in the automotive industry, but yesterday's deal is understood to be the first with a company outside the automotive industry.

In February it formed a vehicle parts joint venture with Federal-Mogul and Allied-Signal of the US, and Sofegi of Italy. General Motors of the US is supplying engine control systems to the Russian company, whose car plant is one of the largest in the world.

ABB has confirmed it received a \$13.22m (\$14.7m) order in March for a power station from the Libyan state's Secretariat of Energy. Reuters reports from Zurich.

## Caribbean pact with Cuba draws US fire

Canute James examines regional repercussions of plans for trade and technical co-operation

SEVERAL Central American states have entered a simmering diplomatic dispute between the US and the Caribbean Community (Caricom) over a recent trade and technical co-operation agreement between the community and Cuba.

Amid indications of increasing US concern over the agreement, Central American diplomats in Washington told US congressmen their governments opposed the pact. They fear the region could suffer from any action taken by the US against the Caribbean countries.

Earlier this month a US House of Representatives foreign affairs subcommittee sent a letter to the governments of the 13 members of Caricom condemning the Cuban agreement. It said that the pact could have adverse implications for future trade agreements between the Caribbean and the US, and that Caricom should rescind its decision.

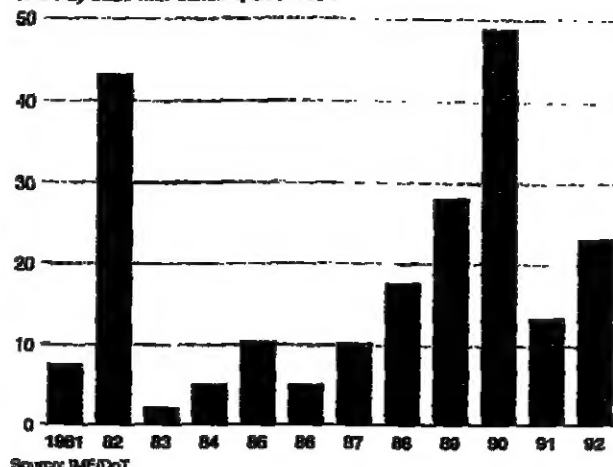
The US government says the agreement does not oblige Cuba to improve its human rights record or move towards democratic government.

But leaders of Caricom - set up in 1973 and consisting of English-speaking countries in the Caribbean basin, Belize in Central America and Guyana in South America - have rejected the criticism. They say that the agreement is part of a programme to improve relations with all countries in the region, and that they have not asked other countries with which they have concluded similar pacts for commitments on human rights and democracy.

Discontent in Washington has been fuelled by revelations that the draft of the agreement

### Cuba

Two way trade with Caricom, US\$ million



Source: IMF/DoT

setting up a joint commission between Caricom and Cuba did contain references to human rights and democracy.

The scheduled signing of the pact in Havana in April was aborted when Cubans objected to the "political" nature of the draft. But at the annual summit in the Bahamas last month, Caricom's leaders

from Caribbean countries which have their own, very strong democratic traditions, and which have been supporting efforts to restore democracy in Haiti.

While some Caricom leaders, including Mr P J Patterson, the Jamaican prime minister, say that they understand the reaction, they are

### 'The cold war's over. European countries negotiate with Cuba'

agreed to the changes.

"Clearly we are disappointed that the agreement signed by Caricom with Cuba did not include any human rights or democracy conditions," Ms Donna Hrinak, deputy assistant secretary of state for inter-American affairs in the US State Department, said in a radio interview.

"I think it is particularly unfortunate as it is coming

not moved by it.

"I think there are particular groups in the US which have reservations, but we have to decide on our own affairs," Mr Patterson said. "The cold war is over. Countries in Europe are negotiating with Cuba. It is appropriate for us to have agreements with Cuba in the framework of a joint commission."

The community represents a



Staunch defenders: John Compton (left) and P J Patterson are unmoved by US

Oliver Goss and David Goss

market of 3.5m people and is attempting to create a customs union and a common market by next year. The setting up of the joint commission with Cuba to oversee co-operation in several areas, including trade and development of the region's sugar cane industry, follows several years of Cuban efforts - with little reward - to improve relations with its neighbours.

The commission is aimed at increasing the volume of trade between Cuba and Caricom, enhancing sugar cane yields, boosting co-operation in developing livestock and fisheries, and will combine research in biotechnology, particularly for agricultural and technical applications.

Caricom officials say the

wording of the agreement was changed to make it consistent with that of similar agreements signed with countries such as Venezuela and Mexico, and one which is being negotiated with Colombia.

"People will need to have it explained to them why Caricom believed that Cuba should be, in effect, given a bye on democracy," said Ms Hrinak. US officials had earlier complained that Caricom was "rewarding" Cuba by improving relations without winning any commitment for political change.

"I do not expect the US to be happy with what Caricom has done," said Mr John Compton, the prime minister of St Lucia. "But the Caribbean is consistent in its position. Mexico and

Canada never broke ties with Cuba, yet the US has embraced both of these countries warmly in the North American Free Trade Agreement."

The Cubans are clearly happy that the agreement with their neighbours has been concluded to their satisfaction.

Mr Lazaro Cabezas, Cuba's ambassador to the eastern Caribbean, said it represented a deepening of links between his country and others in the region.

"Cuba has been training doctors from Caricom countries and providing technical assistance to many," he said. "But the prospects for trade between Cuba and the Caricom states has increased significantly with this agreement on the joint commission."

## Siemens arm in turbine pact with Russia

By Quentin Peel in Bonn

KWU, the power engineering arm of Germany's Siemens industrial group, has signed a co-operation agreement with KJZ, Russia's largest industrial turbine manufacturer, for joint production and marketing both in Russia and on the world market.

At the same time Siemens/KWU will take up a 10 per cent shareholding in the Russian enterprise, which was privatised in January.

The deal was signed in Kaluga, 250km south of Moscow, where KJZ is based. A spokesman for KWU said yesterday that the deal would give Siemens access for the first time to the Russian market for smaller industrial turbines. At the same time, KJZ would be able to provide components for Siemens turbines on the international market at competitive prices, and Siemens would help the Russian concern market its own products world-wide.

No price was put on the share purchase, although the nominal value of the shares is Rub52m. In addition, KWU will provide the Russian enterprise with machinery and know-how

to overhaul its production plant.

The Russian manufacturer employs 9,200 workers, and has a market share in the former Soviet Union of around 50 per cent, KWU said. It is the largest supplier of turbines up to 35MW capacity.

KJZ, the Kaluzhsky Turbine Zavod, is now 40 per cent owned by its workforce and 40 per cent by the Russian government. KWU has taken up half the remaining shares, with the rest distributed amongst smaller shareholders.

Although KWU already has good connections in the big power station market in Russia, it signed a joint venture to build gas turbines in St Petersburg with the turbine manufacturer LMZ in recent weeks - the new deal is its first in the smaller industrial turbine market.

"We will get the opportunity, on the one hand, to offer our turbines in the future on the Russian market, which we believe has great potential," KWU said. "Apart from that, we will be able to buy components from KJZ for our turbines at favourable prices, improving our competitiveness in international markets."

## AT&T in travel data contract

By Andrew Adonis

AMERICAN Telephone and Telegraph, the largest US telecommunications operator, has secured a \$50m (\$33.5m) five-year contract to provide data and managed network services across Europe for Worldspan Travel Information Services.

Worldspan, owned by TWA and Delta of the US and Abacus, a Singapore-based computer reservations company, is a leading provider of automated airline ticket reservation systems.

Under the deal, a new network will interconnect Worldspan's European locations, and will be managed by AT&T Intel. AT&T's European-based network and information services provider.

The contract is one of the largest in Europe for managing a single company's data network services.

Worldspan said it was a step towards creating a global data network for its international operations.

Based in Atlanta, Worldspan provides more than 12,000 travel agencies worldwide with access to reservations systems of airlines and others. Earlier this year it signed a separate \$100m contract with AT&T to consolidate its US-based travel agency customers and offices on to a single nationwide network.

## Germans clinch train deal

A GERMAN consortium has fought off strong competition from French bidders to win a DM2.2bn (\$880m) contract to provide the German railway system with a new generation of high-speed trains, writes David Waller in Frankfurt.

The consortium - consisting of Siemens, the Munich-based electricals and electronics company, and AEG, the elec-

tronics division of Daimler-Benz - will deliver 50 of the new trains to the German Bundesbahn between mid-1996 and the end of 1998.

The new trains will run at speeds of 280km/hour.

The German companies will work with Deutsche Waggonbau Aktiengesellschaft, the east German manufacturer of railway coaches.

## Australia and Taiwan sign pacts

TAIWAN and Australia signed two pacts yesterday to promote investment and technology transfer, the Economics Ministry said. Reuters reports from Taipei. The agreements between the Australia Commerce and Industry Office and two Taiwanese government agencies strengthen legal protection for Australian trademarks in Taiwan, the island's Vice Economics Minister, Hsu Ke-sheng, said.

They also allow investors from Australia and Taiwan to receive the full protection of laws in the host country, and to receive assistance from local investment institutions. Mr Hsu said in a statement. "This is the first time that (Taiwan) has signed an agreement on the protection of industrial property with a foreign country on an equal and mutually beneficial basis," he said.

Australia and Taiwan do not have diplomatic relations because Canberra switched recognition to China in 1972.

But Australian investment in Taiwan totals about US\$150m (\$106m) and recorded Taiwanese investment in Australia is about \$17m, according to Taiwan.

## Himont postpones polypropylene plant

By Haig Simonian in Milan

HIMONT, the US-based chemicals company controlled by Italy's Ferruzzi group, has postponed the start-up of its latest polypropylene plant, believed to have cost more than \$50m (\$33.5m), because of the recession.

The Brindisi facility in southern Italy has the capacity to produce 180,000 tonnes of polypropylene a year, making it one of the largest of its kind in Europe.

Originally, Himont expected that the new plant and an earlier 180,000 tonne parallel facility in Brindisi would meet about 10 per cent of estimated

demand in the European Community for polypropylene.

However, leading polypropylene producers have been severely affected by the recession, notably in the motor vehicle industry, which is one of their main customers. The commissioning of new plant has exacerbated existing overcapacity, while manufacturers have responded with cut-throat price competition.

Ferruzzi gave no indication when production at the new unit would begin. The plant will be moth-balled for at least the rest of this year, with production being put off "in anticipation of more favourable market conditions," it said.



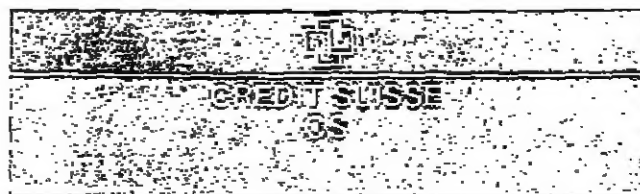
# Incredibly Global

### CREDIT SUISSE PRIVATE BANKING

We have earned our clients' trust by providing the services one would expect of an exclusive private bank - like consistent personal contact between customer and advisor, and individualised investment strategies. But Credit Suisse

Private Banking can also draw on the global intelligence capabilities and sound financial base of a leading Swiss full-service bank. Success makes life easier... but also more challenging; and we do more to keep our clients at the top.

### CREDIT SUISSE PRIVATE BANKING



Zurich (Head Office) - Abu Dhabi - Atlanta - Beijing - Bern - Bogota - Buenos Aires - Cairo - Caracas - Chicago - Frankfurt - Ginebra - Guernsey - Hong Kong - Houston - Johannesburg - London - Los Angeles - Luxembourg - Madrid - Manila (Bahrain) - Melbourne - Mexico City - Miami - Milan - Monte Carlo - Montevideo - Montreal - Moscow - Munich - Nassau (Bahamas) - New York - Nuremberg - Osaka - Paris - Rio de Janeiro - Santiago - San Francisco - Sao Paulo - Seoul - Shanghai - Singapore - Stuttgart - Taipei - Tehran - Tokyo - Toronto - Vancouver - Vienna

Member of BAWAG, SBA and the London Stock Exchange



## NEWS: THE AMERICAS

# California rethinks unitary tax system

By George Graham  
in Washington

CALIFORNIA'S legislature will today open discussions on changes to its unitary tax law that might help head off a threat of retaliation from the UK. But already British MPs are warning the proposed changes do not go far enough.

The dispute arises from California's system of worldwide unitary taxation - the subject of a long-running legal case involving Barclays Bank, the British clearing bank - under which companies are taxed on a proportion of their worldwide revenues, instead of only on revenues earned in the state, as is the case in most jurisdictions.

Bowing to pressure from the federal government, California has already made the unitary system optional.

But foreign companies complain the Californian tax authorities charge a fee if they choose the alternative "water's edge" assessment system, which includes only activities within the US, and reserve the right to impose a unitary assessment.

Backed tacitly by the Clinton administration in Washington, UK officials have been urging

California to move towards a mandatory water's edge system.

This system was backed by Mr Kenneth Clarke, the UK chancellor of the exchequer, in a recent letter to Sir Michael Grynlls, the Conservative MP who has been leading the British parliamentary battle against unitary taxation.

Mandatory water's edge would in fact raise more money for the state - perhaps as much as \$175m (£117.4m) a year - but for this reason has been hotly opposed by Californian companies which benefit from the unitary assessment.

Administration officials hope that if California can settle the dispute with the UK, they will not have to take a position on the Barclays case.

The Supreme Court has asked for the administration's views on whether it should hear the case, but President Bill Clinton would prefer neither to argue openly against the UK nor to side with the UK against California in breach of a written campaign promise to Mr Brad Sherman, a member of the California franchise tax board.

Although the bill under formal consideration by the Californian Senate finance committee

today proposes mandatory water's edge, its author, Senator Alfred Alquist, believes that this would not pass the legislature.

He intends to modify the bill to address only some specific foreign complaints, including the compliance costs and the tax authorities' ability to overrule a choice of water's edge assessment.

Officials in Sacramento believe the legislature may also eliminate the fee levied on companies which make the water's edge choice. If it does so, it would have to come up with perhaps \$70m in additional revenues to offset the lost money.

Sir Michael Grynlls, however, has written to Mr Alquist to warn him that the UK would not be satisfied with only limited legislation.

"The UK's resolve on retaliation, in the absence of a satisfactory solution, remains undiminished and should not be underestimated," he wrote yesterday.

British retaliation, involving the withdrawal of a tax credit granted to US companies operating in the UK, is due to take effect at the beginning of next year if the dispute is not settled.

## US may brand Sudan as terrorist state

Mr Warren Christopher, US secretary of state, is preparing to place Sudan on the US list of states accused of sponsoring terrorism, officials said yesterday. Reuter reports from Washington. An announcement could come as soon as today, they said.

The US has been increasingly concerned about Sudan's ties to Iran and radical groups and this is to be the basis of Mr Christopher's decision, the officials said.

But the determination also comes after an ABC television report on Monday that US intelligence officials believe top government officials of Sudan were involved in a plot earlier this year to blow up the United Nations, FBI headquarters and two tunnels in New York.

Citing intelligence sources, ABC television news said federal agents, after monitoring Sudan's mission to the UN for two months and from other evidence, felt the government of Sudan was involved in the alleged plot last June.

The ABC report named two Sudanese intelligence officers as the link between Sudan and the alleged plot.

The report said US officials believed the men helped five other Sudanese residents of the US who were indicted in the bombing conspiracy.

There is no evidence that Sudan's ambassador to the UN, Mr Ahmed Suliman, was involved, the ABC report said.

Mr Suliman in June denied that the mission had anything to do with the planned bombings in New York, and said that terrorism was "alien" to his country.

Mr Christopher was "expected to make an announcement about his decision within a matter of days," a State Department official said. Another official said Mr Christopher was "preparing to conduct the necessary notification of foreign governments and members of Congress" that Sudan has been placed on the terrorism list.

## South-east leads US recovery

Barbara Harrison on the advantages of a diverse economic base

WHILE Washington frets about lagging job creation in the nation's glacially paced economic recovery, the South-east of the US is looking rosy on this score: the region is leading the country in job growth and its economy is rebounding faster than most others.

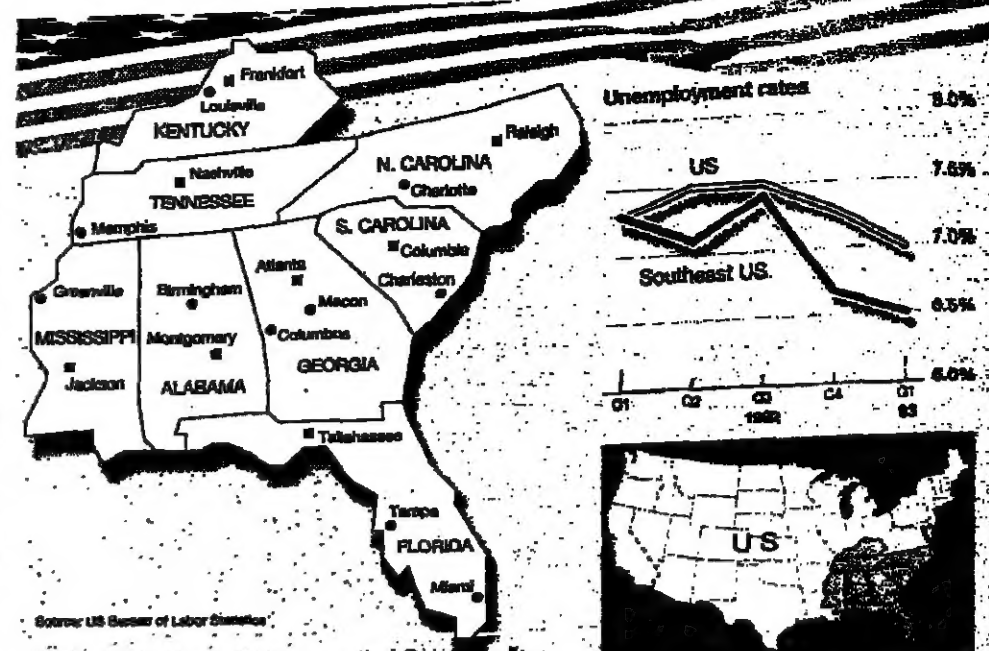
According to the Bureau of Labor Statistics, the region's eight states gained 30 per cent of all the 516,000 new jobs generated nationally during the first quarter, the latest period analysed. The region also accounted for 75 per cent of 28,000 new manufacturing jobs added nationally in the period.

The South-east's employment gains earlier this year were not just a fortuitous blip. The trend appeared to continue through the second quarter, according to Mr Donald Ratajczak, chief of the economic forecasting centre at Georgia State University. He said that, unlike the nation, which struggled at an overall economic growth rate of only 1.6 per cent during the second quarter, the South-east expanded at about 3 per cent.

The South-east's comparative prosperity is a feature of the unusually slow and very uneven national recovery, according to the Conference Board, the New York-based business think-tank. The organisation says that, unlike past, more robust recoveries, this one lacks a federal fiscal stimulus that helps the economy across the board. Consequently, "divergent regional trends are dominating the economic landscape."

The sharp differences in regional fortunes has led many to ask why some areas are prospering so disproportionately. Aside from the South-east, the Rocky Mountain states and the Mid-west have also fared relatively well since the recession of 1980-1981.

In the South-east, where job growth is strongest, analysts say that a diverse economic base is what has helped most. The region has a substantial amount of manufacturing in auto assembly, transportation equipment, building materials, home furnishings, textiles, chemicals, and food processing. It has also been less dependent on military contracting than



other areas being hit with defence industry shrinkage.

The construction of BMW's new plant in western South Carolina is a boon in that state. Rising US car and truck sales are benefiting Japan's Nissan and GM's Saturn plants in Tennessee and Daimler-Benz's truck assembly operation in North Carolina, which also appears poised to win the contest for Daimler-Benz's new US car plant. The company, which is expected to make an announcement about its site selection by the end of this year, has been buying up land

options near its truck plant.

The region, especially the Carolinas, has been a magnet for foreign manufacturing investment because of relatively low production costs and wages. Service employment, up strongly, is also fairly well spread among banking, insurance, retail, communications, transportation, biotechnology and other sectors.

But the region's exceptional growth is in large measure being fuelled by construction. According to Mr Thomas Cunningham, chief regional economist at the Atlanta Federal

Reserve, it has a concentration of the industries that benefit most from the early stages of recovery. The region's building materials, textiles, furniture and white goods sectors have all been boosted by a nationwide recuperation of the housing market.

The South has in fact led the surge in new home buying, thanks partly to migration from less prosperous regions. In addition, rebuilding after Hurricane Andrew last year in Florida has helped lift regional construction businesses.

Mr Cunningham also points out that, while the South-east is faring better than most other areas on job growth, the national figures on employment gains are being dragged down by large job losses in just five big states: California, New Jersey, Connecticut, Massachusetts and New York.

Nonetheless, attitudes in the South-east also seem distinct from the rest of the nation. Consumer spending has been outpacing the nation as a whole. Even the political mind-set appears to be a factor. "You don't have the yo-yo effect of consumers in other parts of the country," says Mr Ratajczak. "We were never that thrilled with Clinton's victory or chastened with his policy."

## Dole attacks Bosnia moves as 'invitation to dictators'

By George Graham

SENATOR Robert Dole, leader of the minority Republicans in the US Senate and a possible opponent of President Bill Clinton in the 1996 presidential election, yesterday delivered a fierce attack on the UN and its role in the Bosnian conflict.

He criticised the terms of the Bosnian peace settlement now being negotiated in Geneva, calling it - in reference to Serbian President Slobodan Milosevic - "an invitation to the brutal dictator in Belgrade" to continue oppressing his own people and to launch a campaign of ethnic cleansing

against the Albanian population in Kosovo.

"It's also going to be an invitation to other dictators or would-be aggressors lurking in the shadows of the former Soviet Union. How many thugs around the world will RSVP to that invitation? How many of those thugs have access to chemical or nuclear weapons?" he said at a meeting of the National Governors' Association in Oklahoma.

Mr Dole opposed the UN embargo on arms shipments to the former Yugoslavia. Many have argued this leaves Bosnia at a disadvantage to Serbia, which has access to the arms

of the former Yugoslav federal army. "Bosnia is being gobbled up defenceless because of an arms embargo that violates the very principles of the UN."

Some of Mr Dole's harshest criticism, however, was reserved for the UN and Mr Boutros Boutros Ghali, its secretary-general, whom the US senator accused of being more concerned about who was in charge than about getting things done.

"The UN does not stand for the same principles as the US. The last time I checked, the American people did not elect Boutros Boutros Ghali to run US foreign policy."

## CONTRACTS &amp; TENDERS

### MISR HOTELS COMPANY AN EGYPTIAN SHAREHOLDING COMPANY AFFILIATED TO THE HOUSING, TOURISM AND CINEMA HOLDING COMPANY

#### ANNOUNCES The sale of 16065 shares representing 51% of the shares of MISR TOURIST VILLAGES COMPANY (Cairo - Egypt)

##### THE COMPANY

Misr Tourist Villages Company (MTVC) is an Egyptian joint stock company established in 1985 under law No. 159/1981. The company is engaged in developing and owning hotels and tourist projects in Egypt. MTVC's operating asset portfolio includes :-

- 1 - El Fayrouz Hilton Village, a 150 room 4 star village located at Naama Bay, Sharm El Sheikh. The village is currently being upgraded to a 5 star level and has the potential for future expansions on a land plot of 60000 sq. m. opposite the village site.
- 2 - Hilton Coral Village, a 180 room, 20 bungalows, 5 star village located on the Nuweiba beach front.

In addition, MTVC has other assets and investments in joint ventures in the tourism sector.

##### SALE PROCEDURES

The shares of the company will be sold through a competitive bidding procedure according to the terms and conditions of the Bid Documents and subject to prevailing Egyptian laws and regulations. Bidders may obtain from the Financial Adviser's office, (Commercial International Bank) a complete set of Bid Documents outlining the bidding procedures and requirements, including detailed information on the company. Bids for the entire amount of offered shares as well as partial bids will be accepted with a minimum bid of 1575 shares. Bidding is restricted to Egyptians only. Bid Documents are available at a price of US \$ 1500 or the prevailing LE equivalent at the purchase date. Bids will be accepted until noon on Tuesday October 12th, 1993.

Bidders interested in the contemplated transaction should address all their requests to :-

##### COMMERCIAL INTERNATIONAL BANK (EGYPT) S.A.E.

Mr. Adel El Labban  
General Manager & Board Member  
Nile Tower - 21/23 Giza Street  
Giza - Egypt  
Tel: (202) 3481797  
Fax: (202) 5702691 or 5703172

### REPUBLIC OF GHANA VOLTA RIVER AUTHORITY ANNOUNCEMENT FOR PRE-QUALIFICATION FOR THE SUPPLY AND ERECTION OF A COMBINED CYCLE POWER GENERATING PLANT

The Volta River Authority invites applications from suitably qualified international contractors, experienced in power station construction to pre-qualify to tender for the supply and erection on a turn-key basis, of one Combined Cycle Heavy Duty Power Generating Plant.

The power station will be erected at Abodze near Takoradi in Ghana.

The total generation capacity will be approximately 300 MW, 50 Hz.

The gas turbines will operate on light crude oil.

The contract will be awarded in two separate packages. Each turnkey package will include:

- |   |  |
|---|--|
| <b>Package 1</b>  | <b>Package 2</b>   |
| <ul style="list-style-type: none"> <li>system detail engineering</li> <li>site and machine investigation</li> <li>site development</li> <li>2 x 100 MW combustion turbine generators</li> <li>single point mooring, marine pipeline and oil storage system</li> <li>switchyard</li> <li>auxiliary buildings (administration, maintenance, stores, security, etc)</li> <li>yard utility systems (fire protection, fresh water, sewage, drains, etc)</li> <li>training of personnel</li> <li>commissioning of the plant.</li> </ul> | <ul style="list-style-type: none"> <li>system detail engineering</li> <li>steam turbine generators</li> <li>heat recovery steam generators</li> <li>water treatment, steam and condensate systems</li> <li>seawater inlet and discharge pipelines</li> <li>pumphouse</li> <li>water treatment</li> <li>commissioning of the plant</li> </ul> |

Financial support for the project has been requested from International Development Association, European Investment Bank, Commonwealth Development Corporation, The African Development Bank and others.

Prequalification applications must be on the basis of the prequalification document which will be available on request from Acres International Limited offices against the non refundable sum of US\$ One thousand (\$1,000) effective Wednesday, August 18, 1993 at the following address:

Acres International Limited, 5259 Dorchester Road, PO Box 1001, Niagara Falls, Ontario, Canada - L2E 6W1  
Fax No: 416-374-1157 Tel No: 416-374-5200

Deadline for returning the duly completed prequalification document with all relevant supporting material, is 12:00 noon (local time) on Friday, September 17, 1993.

#### LEGAL NOTICES

##### IN THE MATTER OF PROLOT COMPANY LIMITED AND IN THE MATTER OF THE CYPRUS COMPANIES LAW CAP 113

Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are requested to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned at the address below on or before the 15th day of September 1993 and if the claim is admitted to be valid it shall be included in the list of creditors to be presented to the creditors at the meeting of the creditors to be held on the 15th day of September 1993 and if the claim is not included in the list of creditors to be presented to the creditors at the meeting of the creditors to be held on the 15th day of September 1993 it shall be excluded from the list of creditors to be presented to the creditors at the meeting of the creditors to be held on the 15th day of September 1993.

Dated this 18th day of August 1993  
A High Revenue  
Liquidator

##### NOTICE OF CREDITORS' MEETING

SPAXE PROPERTIES LIMITED  
Notice is hereby given that a meeting of the creditors of the above-named company will be held pursuant to section 482 of the Companies Act 1985 at 30 Park Street, London, EC2A 4PF on 31st August 1993 at 11.30am for the purpose of receiving the report on the Administrative Receiver's and, if thought fit, appointing a liquidator. A creditor will be entitled to vote only if a written statement of the claim is submitted to me at the above address by 12 noon on 27 August 1993 and if the claim is admitted to be valid it shall be included in the list of creditors to be presented to the creditors at the meeting of the creditors to be held on the 15th day of September 1993 and if the claim is not included in the list of creditors to be presented to the creditors at the meeting of the creditors to be held on the 15th day of September 1993 it shall be excluded from the list of creditors to be presented to the creditors at the meeting of the creditors to be held on the 15th day of September 1993.

Dated 11 August 1993  
B. H. O'Hall  
Joint Administrative Receiver

#### MOTORS

##### SAAB IN WARWICKSHIRE

The full range of new Saabs and probably the largest selection of superior used Saabs in the Midlands. Lime Garages Ltd, Royal Leamington Spa. Tel: 0926 423221.

#### PERSONAL

##### PUBLIC SPEAKING

Training and speech-writing by award winning speaker. First lesson free.  
Tel: (0727) 861133

#### BUSINESSES FOR SALE

Appear in the  
Financial Times on  
Tuesdays, Fridays  
and Saturdays.

For further  
information or to  
advertise in this  
section please  
contact

Karl Loynton on  
071 873 4780

OR  
Melanie Miles  
071 873 3308

#### TO SAVE ALL THESE TREES WE HELP CHOP DOWN THIS ONE.

Tropical hardwood trees are more valuable to loggers than other trees in the rainforest. High prices for hardwoods ensure that loggers have no qualms about destroying other trees that stand in their way.

So a WWF project in Costa Rica is researching ways of felling a tree without bringing down several others around it. And how to remove it without building a path through the surrounding trees.

If the rainforest is used wisely, they can be used forever. Help WWF prove this in rainforests around the world, by writing to the Membership Officer at the address below.



World Wide Fund For Nature  
(formerly World Wildlife Fund)  
International Secretariat, 1196 Chaux-de-Fonds, Switzerland

#### Weekend FT RESIDENTIAL PROPERTY

For information on advertising please contact:  
Emma Stevenson 071-873 4886  
Julia Copeland 071-873 3207  
Fax: 071-873 3088  
Financial Times, One Southbank Bridge, London SE1 9HL



# Improved public sector deficit boosts sterling • Equities and government bond prices at record highs

## Cautious reception for lower state debt figures

By Peter Norman,  
Economics Editor

BRITAIN'S public sector deficit was a lower-than-expected £1.55bn in July, but neither the UK Treasury nor Downing Street were ready yesterday to revise downwards the government's forecast of a £20bn public sector borrowing requirement for the current financial year.

Yesterday's official borrowing figures helped to boost sterling and lift British government bond prices and

UK equities to record highs as investors reasoned that the government might now be under less pressure to raise taxes in its November Budget.

A Treasury spokesman said it was still too soon in the financial year to think of revising down the deficit forecast. Downing Street officials cautioned against treating the July PSBR figure as a sign that there was less pressure on Mr Kenneth Clarke, chancellor, to cut spending or raise new revenues.

While several City analysts said

they expected the 1993-94 deficit would be less than the government's forecast, they cautioned against euphoria. "The data so far this year do not yet point to a sizeable PSBR undershoot," said Mr Michael Saunders, UK economist at Salomon Brothers International. He said he was sticking to his forecast of a £48.5bn PSBR for this financial year.

Mr David Coleman, treasury adviser at Canadian Imperial Bank of Commerce, said the figures revealed a "major improvement" in

tax revenues but saw no reason to change his own forecast of £48bn.

Financial markets had been expecting a reduced deficit of about £1.9bn last month following June's £3.97bn shortfall between government expenditure and revenues. The July 1992 PSBR amounted to £566m.

July is traditionally a strong month for government tax receipts because of payments by the self-employed and of advance corporation tax. Government income was also boosted last month by £1.8bn in pro-

ceeds from the BT3 share sale, which unloaded the government's last tranche of British Telecom, the former state concern.

But figures released yesterday by the Treasury showed that government cash receipts were up only 4 per cent to £86.8bn in the first four months of 1993-94 compared with the same period last year. Cash outlays were up 7.5 per cent to £81bn. The Treasury reported that the cumulative PSBR in the first four months of this financial year reached £14.9bn

compared with £11.4bn in the April to July period of 1992. Excluding privatisation proceeds, the PSBR for April to July rose to £18.2bn compared with £14.8bn in the same period of last year.

The pound closed in London at DM2.5225 yesterday, a gain of 2 pence on the day. Part of its strength reflected profit taking in the D-mark and expectations of favourable news about UK retail price inflation today. The FT-SE 100 index closed at 3,025, up 16.7.

## Labour plans payroll levy to pay for training

By Kevin Brown, Political Correspondent

A FUTURE Labour party government would impose a levy of up to 1.5 per cent of payroll costs on companies which failed to comply with training guidelines, Mr Gordon Brown, the opposition party's chief finance spokesman, said yesterday.

The levy, intended to help pay for a major upgrading of government training programmes, compares with earlier plans for a maximum levy of 0.5 per cent on all companies.

The revised proposal emerged in a paper produced for Labour's annual conference next month, in which Mr Brown further distances the party from its 1992 election manifesto pledges to redistribute wealth.

Promising to cut taxes "if I can", Mr Brown confirmed the Labour leadership's determination to discard the party's traditional image. "Labour is not against wealth, nor will we seek to penalise it," he said.

Mr Brown said the revised training proposals were intended to encourage companies to develop their own training programmes, rather than rely on the government.

"There are a large number of companies which are failing to make the training investment which is necessary. That is not only harming the country as a whole, it is harming those companies which are prepared to make the investment because they are finding that their trained workers are being poached," he said.

The revised proposal is based on similar schemes operating overseas in countries such as France, Australia and New Zealand. Labour officials are believed to have concluded that the amount raised through the original scheme would have been insufficient to finance a worthwhile training programme.

The proposal was dismissed as a "distraction" by the Confederation of British Industry (CBI), which said spending on training had been rising since 1989, despite the recession.

"Government regulation of this kind would just lead to a reclassification of existing activities as companies tried to comply with the rules," said Mr Tony Webb, CBI training director.

Mr Brown presented the training levy as a key component of Labour's revised economic strategy, unveiled last month, which focuses on increasing investment and competition.

Other initiatives include widening the provision of banking services by opening up the clearing system to more financial institutions, and an "industrial university" to promote retraining.

## Gas chief welcomes 10-year working framework

Deborah Hargreaves examines the main recommendations of the monopolies probe into British Gas

CEDRIC Brown, chief executive of British Gas, was convinced yesterday that his decision to submit the company to a wide-ranging inquiry by the Monopolies and Mergers Commission was the right one, in spite of the Commission's proposal that British Gas sell off its trading activities.

"We now have the MMC setting out a framework for the next 10 years. A year ago we didn't know what would happen in the next 6 months and we had no way to develop and plan our business," he said.

Mr Brown will be involved in intense negotiations with the government in coming months, trying to persuade Mr Michael Heseltine, trade and industry secretary, to adopt all the recommendations in the report and not to go ahead with a piecemeal implementation of the plan.

The Commission's main proposals include:

• Divestment of British Gas's trading arm by end of March 1997.

• Reducing British Gas's monopoly to customers using less than 1,500 therms of gas - most domestic customers - on March 31 1997, with removal of the entire monopoly three to five years later.

• Setting a rate of return for its pipeline operations of 4 per cent to 4.5 per cent on assets.

• Reducing British Gas's price formula for household customers to four percentage points below the rate of inflation from the current five points.

The Commission's conclusions vindicated many of the views of the industry regulator, Ofgas. But British Gas said the report was fair and provided the company with some limited financial relief.

British Gas does not believe it is necessary to split up the company in order to encourage the development of further competition. But Mr Brown regards the Commission's proposals for selling its trading arm as the best option for its shareholders under the circumstances.

The cost of divesting pipelines - arising from loss of economies of scale and duplication of certain functions - will be about £130m, £80m more than British Gas's current plans for separating its transport and trading divisions.

The Commission recommended that consumers bear this cost since the development of competition will benefit them in the long run. British Gas believes shareholders should not carry the cost of splitting up the company.

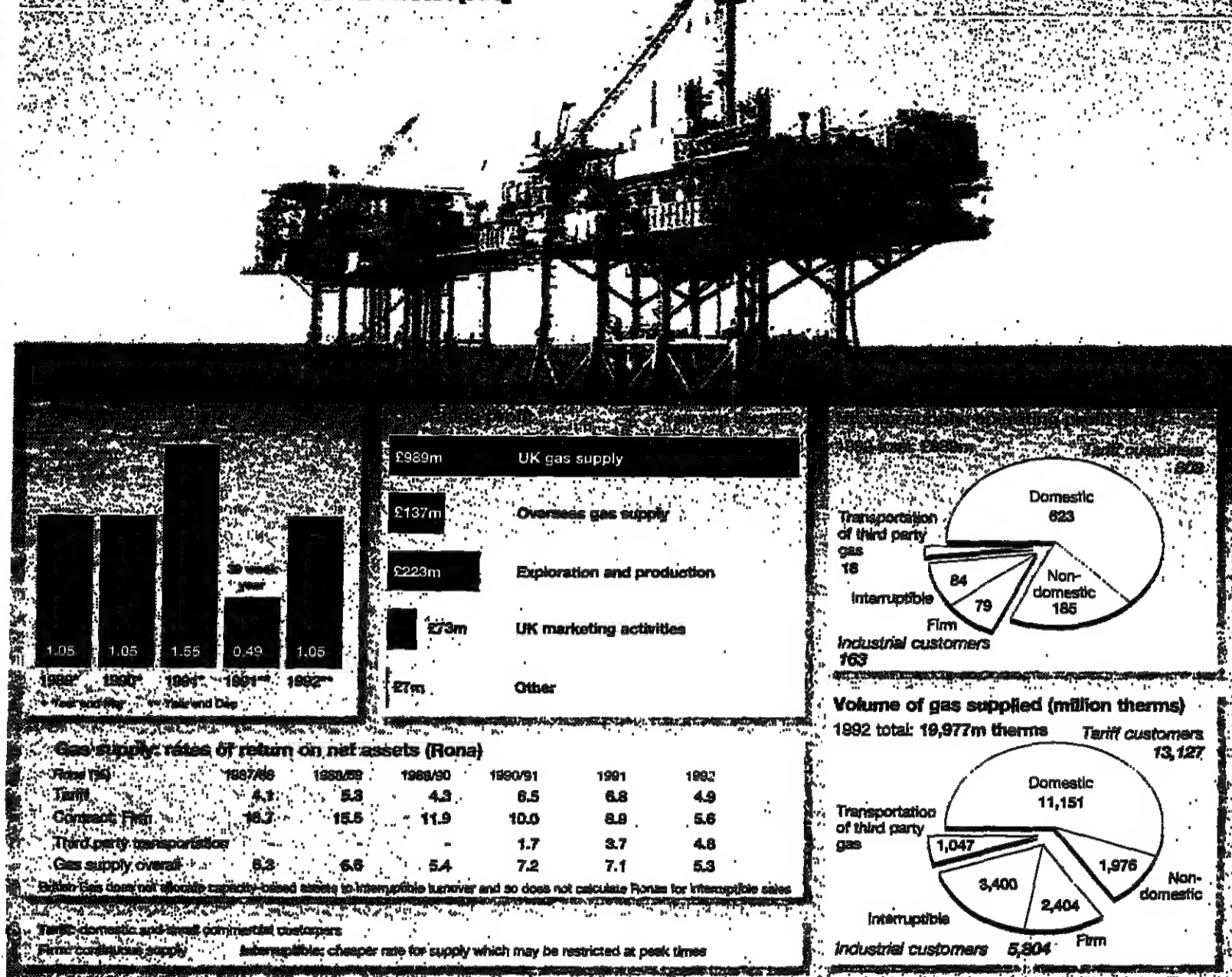
Ofgas, however, says shareholders who have benefited from higher prices under British Gas's monopoly should pay for divestment.

British Gas, meanwhile, has warned of higher prices for some customers - particularly those using less gas - in a more competitive market. The company says a separate pipelines company could have to charge customers living further away from gas terminals more for their supply.

Ofgas calls these fears "alarmist". Mr Greg McGregor, director of competition and tariffs said he believed prices rises to household customers could be minimised.

The Commission has recommended adjusting the formula governing domestic prices

British Gas: profile of a monopoly



from next year so that consumers' gas prices should fall more slowly than would have been the case. This will give British Gas additional revenues of £500m in the period from 1994 to 1997 before more competition is introduced.

Competition will be introduced in a phased way. The Commission recommended competition be extended - on March 31 1997 - to customers using more than 1,500 therms. The limit is currently 2,500

therms. This change will add another 500,000 customers to the competitive market - 100,000 industrial and commercial consumers and 400,000 domestic.

The Commission also recognised that British Gas's trading arm may have to raise its prices when it is sold, in order to make a profit. This has angered consumer groups which say households will pay the cost of transition in the gas industry.

Mr Brown said he would have liked the Monopolies Commission to have provided answers to all the questions about opening up the market. "There are a whole range of major issues that need to be resolved, but a whole raft of them await political decisions which may not be as clear cut as this report."

Editorial Comment, Page 11  
Lex, Page 25  
London Shares, Page 12

## Package tour companies intensify price war

By Christopher Price

THE PACKAGE holiday war intensified yesterday as more travel agents and tour operators announced price cuts for the 1994 season.

Thomson, the UK's biggest tour operator, announced cuts worth \$50m from next season's holidays.

Mr Charles Newbold, Thomson managing director, warned that further price cuts could follow if the group was undercut by its rivals. Airtrous and Owners Abroad.

"We will do whatever it takes to maintain market share. I would not say I would be happy with a price war but you can't stay out of it," he said.

Travel agent Thomas Cook had raised the spectre of a price war on Monday, unveiling a 10 per cent discount on all holidays in 1994.

That was immediately matched by Pickfords and Hogg Robinson and yesterday AT May, the UK's largest independent travel agent chain, said it too would be offering 10 per cent discounts.

Lunn Poly, which is owned by Thomson, said it would also be announcing discounts at the launch of its new season brochure tomorrow. "We will not be beaten for price," warned a spokesman.

The biggest discounts are being offered to consumers booking early. Thomson saw its market share in the lucrative pre-Christmas booking period dip sharply for the 1993 season. This year it planned to

increase its share of the pre-Christmas market from 33 to 50 per cent.

Like Thomas Cook, Thomson is forecasting a big increase in tourists travelling to Spain and the Balearic Islands. Overall, Thomson forecasts that the package holiday market should return to its 1988 level of around 10m holidaymakers, against this year's 8.5m.

Mr Brown said he would have liked the Monopolies Commission to have provided answers to all the questions about opening up the market. "There are a whole range of major issues that need to be resolved, but a whole raft of them await political decisions which may not be as clear cut as this report."

Editorial Comment, Page 11  
Lex, Page 25  
London Shares, Page 12

## Profile of director with a direct line to the boss

Roland Rudd asks Simon Weinstock, a GEC director, about the risks in following his father's example

AT THE first mention of his father Mr Simon Weinstock pulls his shoulders back, sits upright in his chair and says: "If my father was not here I would not be here. I have to be quite open about that."

By his own admission, the 41-year-old scion has no obvious qualifications to be a director of General Electric Company with responsibility for acquisitions and GEC Marconi, the group's defence arm.

He is qualified neither as an accountant nor as an industrial manager. But he does have the ear of his father, Lord Weinstock, GEC's managing director.

It is this, more than anything else, which guarantees him a unique position on the board of one of Britain's biggest companies, with annual sales of \$9.4bn. As a fellow director explains: "Arnold does not move without consulting Simon first."

When he joined the board six years ago he was described by some of his colleagues as at times petulant and anxious not to be continually thought of as the son of Lord Weinstock. Now they say he has become more relaxed, confident and delighted to be seen as the son of Lord Weinstock.

He dismisses accusations of nepotism as ridiculous. "GEC is not a family business, has never been run on those lines and never will be," he says.

The advantages, however, are numerous. Perhaps most important, he knows how to dodge the pitfalls of working for a managing director who can have an intimidating, even threatening, presence.

This gives him an edge over other GEC senior executives, who often ask him to intervene in their dealings with Lord Weinstock. "It depends on the situation, but it can be daunting for some people to deal with my father alone. I will

then get involved." He says he has an excellent relationship with his father. They share many interests such as a love of music, with regularly visiting the Salzburg festival and La Scala Opera House in Milan, and a passion for horse racing.

Perhaps most surprising is Mr Weinstock's contention that his father never put any pressure on him to join the company. After working at S.G. Warburg, the merchant bank, first in advising the government on rescheduling debt and then on the investment side, he thought it was time for a change.

"With a certain amount of trepidation I decided to work for GEC. My father was pleased but he put no pressure on me to join the company."

Lord Weinstock may not have pressed his son to join him, but he appeared keen that he should succeed him three years after Mr Weinstock was

appointed to the board as commercial director in 1987. There is little doubt that Mr Weinstock would like to take over from his father, although with one condition: the institution investors would have to want him for the job.

"I would not want to do it unless I could do it and the senior management and shareholders wanted me to do it."

Mr Weinstock, regarded by many in GEC as the leading internal candidate, warns of the difficulties of bringing in an outsider. "It would be hard for someone to come from another company to lead this one, but not impossible. Companies generally prefer to promote from within."

He is backed in this view by some key executive directors. One says: "The boss's son imposes himself more naturally." Sir Ronald Grierson, a former vice-chairman of GEC who remains on the board of GEC International, one of the

group's subsidiaries, says: "There is no prima facie reason to assume that dynastic succession is worse than any other kind of succession. I even happen to believe that, other things being relatively equal, continuation of management by the founder's family can be a good recipe."

Yet a number of the group's shareholders say there is no question of Mr Weinstock succeeding his father. A senior fund manager says: "It is unlikely that Simon Weinstock will emerge as his father's successor. It would look like a massive piece of nepotism. There is an inbuilt inclination from investors not to want him however good he is."

Another says: "No one should try and stop Arnold's ambition for his son to come boss. But I am not sure his father would want him sacrificed on the altar of GEC."

Mr Weinstock, sensitive to both views, alludes to the possibility that the top job could be split when his father, who is 89, decides to retire.

Since 1989 GEC has formed joint ventures with Alstom of France in power engineering, Siemens of Germany in telecommunications and General Electric of the US in consumer appliances. This, says Mr Weinstock, has transformed GEC into a different company from the one his father has been running.

"A large chunk of our business is now in joint ventures and there will probably be more of this than less. In the long term the management structure may be different. We need to be flexible about it."

But Mr Weinstock is in no hurry to take over at GEC. He says while his father remains at the helm he is content with his job on the board, and he sleeps better at night knowing that he is making a contribution to the company in which he holds 31m shares.

The Euro-sceptic camp has been keen to emphasise that its ongoing campaign would include continuing to take a stand on fresh Europe-related legislation. A new flashpoint which was reached at the Edinburgh summit increasing national governments' contributions to the Commission.

Though ministers have described it as a good deal, they have conceded it will probably be opposed by some hardcore Tory rebels.

## Britain in brief

### Strike action threatens mail service

Further disruption is threatening Britain's postal services despite yesterday's settlement of the two-week-long dispute by Royal Mail staff in Cardiff.

A strike ballot of 1,100 postal workers on Merseyside is being prepared in protest at a threat by local management to go ahead next month with cuts in full-time delivery jobs as part of a plan to reduce costs by 5 per cent.

The union fears this will lead to a loss of a quarter of existing full-time jobs at Merseyside's 32 postal delivery offices if the Royal Mail introduces part-time staff to carry out second deliveries.

This is the latest sign of unrest among staff as the Royal Mail presses ahead with its quality of service scheme designed to increase efficiency in the face of competition.

An internal Royal Mail management document obtained by the union reveals that present jobs can only be safeguarded by raising productivity performance in deliveries. It warns "our competitors such as Securicor, UNITE, DHL and other private operators have found ways round our legal monopoly".

### Foundation for Crown Agents

The privatisation of the Crown Agents, the government-controlled procurement, technical and financial services agency, will allow the organisation to operate as an independent foundation rather than be sold to a controlling company.

The move is intended to free the agency to pursue a wider range of business, operating as a private-sector entity while maintaining the reputation for impartiality and integrity that has made its services attractive to leading aid agencies such as the World Bank, and to national aid programmes such as those of Japan or the European Community.

Privatisation of the Crown Agents, which employs 650 people, has been under discussion since December.

### Bank to advise Underground

London Underground has appointed Hambros Bank as an adviser on raising private sector funding.

Hambros is to "consider the feasibility of the private sector funding opportunities that the Underground and London Transport have already identified", and "suggest possible further opportunities for private sector involvement".

### Ford deal for Lucas venture

A joint venture between automotive and aerospace group Lucas Industries and Sumitomo of Japan has won a \$30m-a-year contract to supply disc brakes for two of Ford's main North American car models. Ford's Taurus and Mercury Sable models will use the components produced by Lucas Sumitomo, a joint venture based in Lebanon, Ohio.

### Export officials protest at cuts

Staff in the Eastern Europe department of the Export Credits Guarantee Department took industrial action yesterday as part of a continuing campaign in protest against a proposed 25 per cent cut in staffing levels.

The action in the eastern Europe department, which may continue for several days, follows a one-day strike throughout the department by members of the two civil service unions - the NUCPS and CPSA - on Monday. The ECGD said businesses were unlikely to face disruption as a result of the action.

### Thames plans new channel

Thames Television has announced the launch of a new satellite and cable television channel, called UK Living, which will start broadcasting on September 1. The move extends Thames' broadcasting alliance with two of the dominant forces in cable communications, the US companies Cox Enterprises and Tele-Communications Inc.



## BUSINESS AND THE ENVIRONMENT

# Adding fuel to the waste debate

Ariane Genillard reports on a fierce battle to dominate EC policy on the disposal of household rubbish

From the outside, the Saint Ouen waste incineration plant on the outskirts of Paris resembles a newly built museum with shiny metal walls, sloping roofs and elegantly curving approach roads at the back.

Inside, the computerised control room resembles a research laboratory, well endowed with high technology.

Only the faint smell of garbage betrays the fact that this is the place where the community's rubbish ends up each day.

Built two years ago, the Saint Ouen plant incorporates the latest technology for household waste incineration.

It is run on a 24-hour basis by a crew of eight and has the capacity to burn 630,000 tonnes of garbage a year. The energy gained from the burning process is then used to heat 70,000 flats in Paris.

In the view of the Brussels-based Association of

With the advent of the single market the EC is due this autumn to adopt a directive which will set the recycling quotas for all EC member countries

Plastic Manufacturers in Europe, the modern French waste incinerator shows that burning household waste in order to produce energy is far more economical and ecological than recycling the accumulated waste.

APME has been fighting a rearguard battle to promote incineration technology in Europe.

Its lobbying efforts have increased recently as the European Commission debates

a packaging directive which would force the member countries to adopt similar parameters in the disposal of household waste.

The Commission is due this autumn to adopt a directive which will set the recycling quotas for all EC member countries.

Plastics make up only a small portion of the packaging found in household bins, but they have become a testing ground for legislators across Europe.

Lightweight plastics especially, such as yoghurt pots or cheese wrappers, are at the centre of a growing battle between French and German legislators who hold opposing views on the recycling-versus-incineration issue.

France argues that household waste can be incinerated before it is put on landfills.

And it has developed modern waste technology which enables the incineration to be conducted without toxic emissions.

But Germany wants the EC directive to follow its own national legislation.

Under the influence of the strongest pro-environment lobbies in Europe, Germany has adopted strict recycling laws for waste packaging which prevent incineration - this is in spite of the fact that the modern incinerators are environmentally friendly.



Burning issue: the Saint Ouen plant incinerates 2,000 tonnes of waste a day

The headache for ministers in Brussels is how to reconcile both views in its directive.

It must also set the limits for the recycling quotas and decide what pressure should be applied to meet them.

The aim of the EC directive is to curb the growing mountains of household waste which are at present dumped on landfills across Europe. As space for landfills has become scarce, awareness of its

environmental impact has increased.

But the directive must also harmonise existing household waste recycling laws in Europe to ensure that different national waste packaging laws do not prevent particular packaging forms from being sold throughout the community.

The issues have become more urgent recently amid problems with Germany's

strict waste packaging law, which sets high recycling targets and forbids incineration.

Flaws in Germany's waste management scheme surfaced when the much-vaunted national recycling scheme, Duales System Deutschland, recently announced it was on the verge of bankruptcy.

German law states that only 100,000 tonnes of plastics can be recycled this year, but the

government is aware, however, that modern incinerators are environmentally friendly and can make more economic sense. Incineration will, in fact, be allowed as an alternative to recycling in its forthcoming law on recycling consumer

durables.

This will mean the building of new incinerators.

"Local politicians will no longer be under the influence of local pressure groups because they will be able to say they are simply obeying a federal requirement," says Schürer.

But in the case of the controversial two-year-old packaging law, there is no turning back. Any change would represent loss of face for the government and for Klaus Töpfer, federal environment minister and architect of Germany's waste management laws.

Meanwhile, the Commission's solution for the waste packaging directive could be to allow both recycling and incineration.

But this solution is unlikely to please either France or Germany.

diligence of Germans in separating their rubbish and the efficiency of DSD in collecting it means that 400,000 tonnes of plastic packaging is likely for collection.

The excess rubbish has increasingly resulted in waste paper and glass being exported to neighbouring countries.

In the case of plastics, Germany's insufficient domestic recycling capacity has led either to yet more controversial exports or to the equally disliked local storage of waste plastic.

This inability of DSD to recycle the small household plastic waste packagings has also intensified the debate on whether recycling should be compulsory in member countries.

According to APME, the problem with the German law is that it attempts to recycle all forms of packaging, including those containing mixed materials which are often difficult to sort from other rubbish forms.

APME says that lightweight plastic packaging should be incinerated.

In the Saint Ouen plant, for example, small plastics, which are not separately collected as in Germany, are used as fuel to burn the household waste.

But the German government is locked in an awkward position. The public perceives incineration as detrimental to the environment, even when energy is recovered.

"More than any country in Europe, Germany is suffering from the nimby syndrome - the not-in-my-backyard syndrome," says Franz Fraundorfer, a consultant in the German-based office of Arthur D. Little, the US management consultancy.

Helmut Schnurer, state secretary at the German federal environment ministry explains: "We need new incinerators but we are meeting enormous local resistance."

The government is aware, however, that modern incinerators are environmentally friendly and can make more economic sense. Incineration will, in fact, be allowed as an alternative to recycling in its forthcoming law on recycling consumer

durables.

This will mean the building of new incinerators.

"Local politicians will no longer be under the influence of local pressure groups because they will be able to say they are simply obeying a federal requirement," says Schürer.

But in the case of the controversial two-year-old packaging law, there is no turning back. Any change would represent loss of face for the government and for Klaus Töpfer, federal environment minister and architect of Germany's waste management laws.

Meanwhile, the Commission's solution for the waste packaging directive could be to allow both recycling and incineration.

But this solution is unlikely to please either France or Germany.

Lobbyists are urging the City not to invest in Barito Pacific, writes Peter Knight

## Campaign to fell pulp producer

The City of London had its first taste of co-ordinated environmental lobbying last week when 275 fund managers received a letter urging them not to invest in an Indonesian wood products company, Barito Pacific.

Barito is planning a \$250m (£175m) flotation on the Jakarta Stock Exchange.

"I've been in the business over 10 years and this is the first time I've been confronted with a situation like this. It's difficult to know how to react," says Simon Fraser, investment director at Fidelity Investment Services.

The flotation, announced in early July, ran into trouble two weeks later when Salomon Brothers withdrew as lead underwriter. Salomon's decision was believed to be based on its concern about a lack of management information which it is obliged to supply to the US regulatory authorities.

Environmentalists and human rights groups want to stop the proposed expansion of Barito, one of the world's largest makers of plywood, pulp and paper. Funds from the flotation will be used to increase the company's pulp production and expand the area planted with industrial forests.

"The expansion is not in the interests of the environment, large numbers of local and indigenous people whose lands have been logged by the company without consent, or, in the longer term, the process of sustainable development of the Indonesian economy," says the briefing document produced by the environmental campaigners. The covering letter is signed by 13 groups, including Greenpeace, Friends of the Earth and the Japan Tropical Forest Action Network.

Barito and its financial advisers presented its flotation proposal at a meeting in the Savoy Hotel last month. Over 200 fund managers attended and they, plus other potential City investors, were subsequently sent the campaigners' alternative analysis of Barito.

The campaigners make specific allegations about Barito's logging, financial, social and political activities. Simon Counsell, a forests campaigner at Friends of the

Earth, says legal restrictions prevented the groups from printing stronger claims.

One leading fund manager - who did not want to be named - was impressed with the environmental arguments and said he believed most of the allegations. He would not be subscribing. "If there is an environmental cloud hanging over this issue then I think it will sink it. This campaign could be quite effective."

Michael Hanson-Lawson, managing director of Crosby Securities UK, the flotation's international co-ordinator, said the project was environmentally sound and he would not be swayed by the campaigners' arguments. He was, however, impressed with the efficiency of the campaign.

"They targeted the fund managers very well - this could be an inside job."

Environmental issues were significant in the flotation. He was sure that his clients would read the document and take the arguments into account. But he considered the environmental campaign to be nothing more than a "minor irritant".

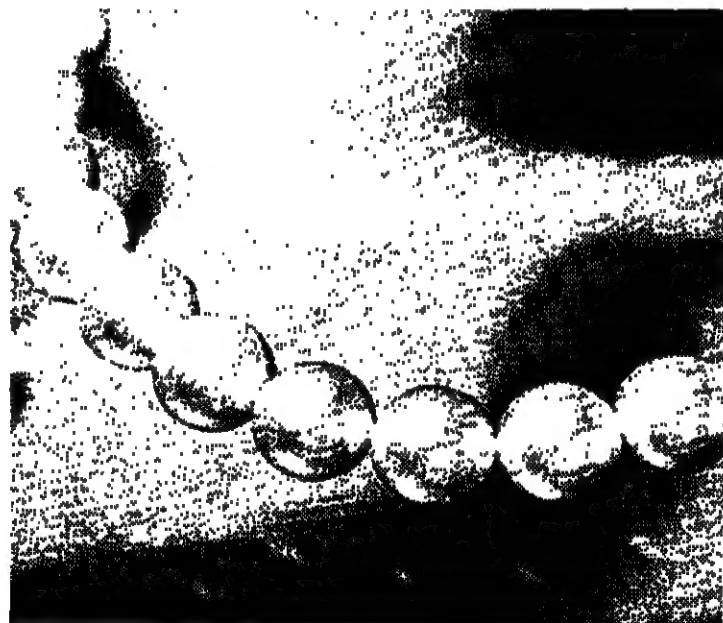
James Robinson of Henderson Administration found the campaigners' document too emotive.

"They would do their cause more good if the language was less emotive. They use phrases like 'unacceptable political connections'. Unacceptable to whom?" He said this was one of the first times he had been approached by a group of environmental campaigners. In future he would pay more attention to similar approaches if their arguments were presented in a better way.

Henderson would not subscribe to the Barito issue because there was insufficient international backing. "We have not been swayed by the environmental arguments," he said.

Counsell said campaigners would continue to target fund managers and would attempt to use the City as a lever in bringing about change. He admitted the campaigners had much to learn in dealing with the City. "In the past we have, for example, successfully persuaded investors away from Fisons over their policy on pest extraction. We are relative novices in the use of City language, but we intend to improve," he said.

## CONSISTENCY.



ONE FLAWLESS PEARL MAY BE A LUCKY FIND. But putting together a whole string of them, side by side, takes time. Professional insight. And a singular quest for quality.

At Sanwa Bank, we too aim to provide clients with consistently high-quality financial services. Not just in one area of finance or in isolated transactions. But in every transaction, and all the commercial and investment banking areas where we are active, in thirty countries worldwide.

Today, with our local expertise and global capabilities, we excel in evolving fields like structured finance and leasing services. We innovate across the board to meet client needs, time after time. And so maintain our own position among the world's top banks, year after year.



**Sanwa Bank**

Sanwa bankers are working for you everywhere.

Incorporated in Japan. Member of the Securities and Futures Authority.

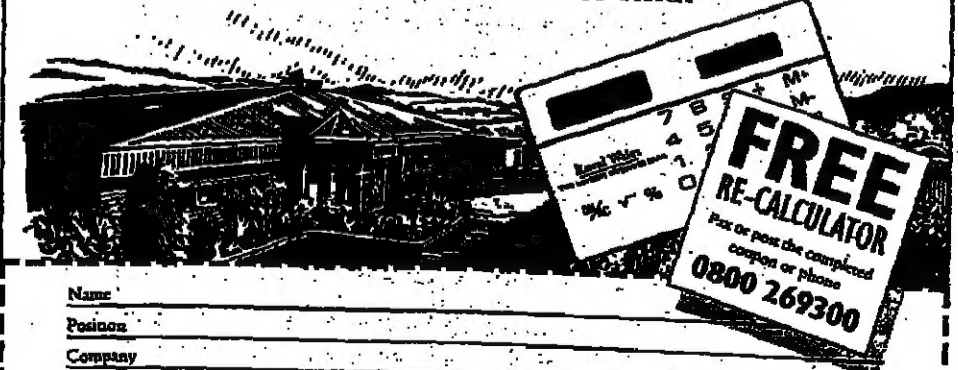
## CALL 0800 269300 FOR WALES WITH ADDED VALUES

The British Business Park offers more than 50 locations for every type of business, centred on country towns where old fashioned values and more accountable advantages co-exist. Our combination of quality properties (from 750 to

20,000 sq ft to rent or purchase plus custom built premises or serviced greenfield sites), financial incentives and lifestyle is unique. We'll send figures to compare, plus the FREE Rural Wales Re-Calculator and let your fingers do the talking.

**Rural Wales**

**THE BRITISH BUSINESS PARK**



Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_ Telephone \_\_\_\_\_

I'm interested in premises of 750+ sq ft ☐ 1,500+ sq ft ☐ 10,000+ sq ft ☐ for rental ☐ purchase ☐  
or greenfield site ☐ within 6 months ☐ 12 months ☐ 24 months ☐  
My company manufactures/supplies \_\_\_\_\_

Sent to: Development Board for Rural Wales, Llynfi Hall, Newport, Powys, SY16 1JD. Fax 0880 622499



## ARTS

Television/Christopher Dunkley

## From Highgrove to home videos

Dudley Moore's career has been a striking manifestation of the Peter Principle (which, you may recall, states that people are promoted until they reach a level at which they prove to be incompetent). As a young man, in partnership with Peter Cook, he was superb in the BBC series *Not Only But Also*. Watch any of the "Degenham Dialogues" - if it's a good painting, the eyes, or the bottoms, follow you round the room; always count railings otherwise something awful will happen - and they work as well today as they did in the 1960s. Then he was accepted as a film actor, a job where you would have to say he was, at best, mediocre.

More recently he has been used, back on television, as the presenter of didactic music series, a role in which he played in *Orchestra* to be embarrassingly bad. Why, then, is he now appearing in a similar series called *Concerto*? Presumably because, in television, nothing succeeds like familiarity. The opening programme on Channel 4 on Sunday featured Michael "Tison Thomas, who showed in the recent BBC programme about Beethoven's 5th Symphony that he was such an impressive conductor/presenter, and soloists James Galway and Marisa Robles, both charming and articulate. So why did anybody think it a good idea to bring in Moore with his Goon voices and facetiousness? Presumably the reasoning is that those thickies out there in front of their sets will never accept musical analysis without the sugar

coating of comedy - and Dudley Moore is funny, isn't he? Not in *Concerto* he's not.

The impressionists on *Spitting Image* have a lot to answer for. Nowadays we all think we know how Prince Charles sounds when chatting with his friends. Keeping your teeth gripped firmly together and speaking through your nose say "Shall we take a walk round the grounds? It's all done to Mother Nature in the end isn't it? You know, Nature". So strong is our certainty that this is how he sounds that it came as a great surprise to find him talking only a little like that in ITV's *Survival Special* "Highgrove, Nature's Kingdom" on Friday. True, he had a walking stick so long that he had to reach up to hold it, but generally speaking he came across as quite sane. The programme was of a remarkably old fashioned type, close to the original Disney wildlife model, with superb pictures by Maurice Tibbles (the fox in the foreground with the rabbit sitting stock still in the background, for instance) but a fatuously condescending commentary: "Conservation doesn't necessarily mean preserving everything... spring is a busy time on the farm... the horse was domesticated by man long ago". Gosh, no, really?

Some have claimed that in Billy Roche's *Westford Trilogy* on BBC2 the third part was better than the second and the second better than the first. To me they seemed quite consistent: all excellent. The first, set in a betting shop, was a Chekhovian lament about provincialism and the virtues of loyalty to your roots versus the attractions of escape. The second, set in the ante room to a snooker hall, while still concerned with small town mentality, looked at pecking orders, crime and hypocrisy. The third, set in the vestry and belfry of a church, featured a sexually naive sacristan, an adulterous wife and a wise innocent. They did more to make you think than an entire year's supply of glossy filmed mini-series. Let us hope that this tremendously successful transfer from stage to screen has reminded Charles Denton, BBC Television's new head of drama, that there is infinite life in studio production.

The "up to" habit is spreading like couch grass through television news rooms and it should be ripped out and banished immediately. When they tell us "At least Jim was stolen" that is far enough; it means that a minimum of £1m was

involved so that, whatever the precise figure, this was a significant event. But to say "Up to £1m was stolen", as they did on the BBC's south east regional news, is meaningless. It could mean that £999,999 was stolen or that £1 was stolen. If they mean "About £1m was stolen" they should say so. Similarly with casualty figures: "Up to 10 people were killed" is nonsense whereas "At least eight" makes sense.

The success achieved by the BBC's Community Programmes Unit (responsible for access programmes such as *Open Door*) in dishing out video cameras to members of the public and getting them to make programmes about their own lives is remarkable. *Video Diaries* has produced some of the most powerful documentaries we have seen in the last couple of years, and the current series of *Township Diaries* on BBC2 on Saturdays is proving that this was no flash in the pan. Though the camera is in the subject's own hands the content does not always endear the subject to the viewer. Indeed the programmes in this series so far - made by a fatherless, husbandless 15-year old mother; an astonishing Portuguese old musician; a school-hating 13-year-old girl

with a shaven head; and the 12-year-old daughter of single-parent mother - have left some viewers seething and muttering about fecklessness, conceit, mollycoddling and scrounging off the state. But that, surely, is an indication of the effectiveness of the form. It would be interesting to know just how much of the editing, music laying, and tripod mounted footage is really the work of the teenagers, but even if the fine professional hands of the unit do intrude more than we might guess, this is still a most impressive series.

Yet again coverage by a foreign broadcaster of a big sporting occasion is revealing by default the extraordinary high standards of the BBC's own sports coverage. German (presumably) coverage of the marathon at the World Championships in Stuttgart gave us overhead shots of a completely deserted road, shots of athletes from the waist down so that they were unidentifiable, pointless shots of the helicopter which was doubtless providing the pictures of the deserted road, and a crucial time gap between the first and second runners which must have been wrong unless the chasing runner got a lift on one of the

motorbikes. Where a BBC camera crew would have been well prepared for Konchella's astounding finish in the 800 metres, the Germans were taken entirely by surprise, and so on. If you enjoy athletics it is all deeply irritating except insofar as it highlights the home grown excellence that we are so used to.

The time has come, if not for a complete retraction, at least for a reappraisal. When *Pandora's Box* was first shown I found the thesis in the opening episode, about attempts by Soviet Russia to run a "scientific" state, wholly unpersuasive, feeling that blame was being laid at the door of science when it should have been that of politics. I took little notice of the rest of the series, but the repeats on BBC2 on Thursdays are showing that to have been a mistake. The episode two weeks ago on the faith that was placed in DDT just after the war, then the launch of the ecology movement with Rachel Carson's "Silent Spring", followed by a new wave of blind faith in Mother Nature, was a profoundly sane programme. And although this pink newspaper may seem an odd place to be saying so, last Thursday's systematic exposé of the ineffectuality of the "science" of economics, at least as practised in Britain since 1945, was masterly. I now look forward eagerly to tomorrow's programme about the chips at the Rand Corporation, the first "scientific" think-tank, who believed in the balance of terror and provided Hollywood with the models for Dr Strangelove.

Yon may not believe it on the evidence of this production, but *The Persians* is a very powerful anti-war play. First performed in 472 BC, it went back to the Athenian victory over the Persians eight years earlier. Many of the members of the first audience must have fought in the war as, it is claimed, did Aeschylus himself.

Apart from being a strong-structured piece in its own right, the play is remarkable for its sympathetic attitude to the Persians. There is no Athenian triumphalism and the horrors of war are shown from the losing Persian side.

There are some similarities with the recent war in the Gulf, although not as many as the director, Peter Sellars, pretends. For example, the Persians in 480 BC must have had reasonable expectation of winning in the Gulf War only a fanatic could have thought that Iraq could stand up to the air power of the US and its coalition of forces. It was a different kind of contest.

Where Sellars is on stronger ground in pursuing analogies is that Xerxes, the Persian leader, survived despite the loss of many of his troops. A parallel with Saddam Hussein is thus not far-fetched and there is certainly nothing wrong with seeking to give ancient plays a modern edge.

The key question is whether the

The Edinburgh Festival  
Sellars kills off Aeschylus

deliberate insertion of modernity sharpens or blunts the message. We can safely assume, I think, that any audience going to see *The Persians* is going to be fairly intelligent, capable of drawing its own comparisons between warfare past and present and probably enjoying reflecting on immutability.

From an ideal production of *The Persians* - namely the original play - an audience would come away marvelling at the wisdom and foresight of Aeschylus. From the Edinburgh production the temptation, to which I fully succumb, is to curse the perversity and trickiness of Sellars. It does not add to the pathos periodically to introduce the sound of American aircraft bombing Baghdad, nor does it help to have the characters speaking through microphones as a symbol of the way the war in the Gulf was covered by CNN. It is Aeschylus who has been killed.

There are other defects. The original has a strong chorus and a powerful part for the messenger who brings the bad news. Neither have much prominence here, yet they are surely central to the play, the chorus for its comments and the mes-

senger for his graphic description of the Persian losses. Again, the original gives some striking lines to the ghost of Darius, father of Xerxes. Here the ghost is dressed in a long white nightgown and communicates in deaf and dumb language with the words coming through a microphone offstage; they are not all the words of Aeschylus.

The production, intended as the opening theatrical showpiece of the Festival, runs at the Royal Lyceum for the rest of this week.

The only reservation about the Red Shift company's production of *Death in Venice* is how far it will make sense if you are unfamiliar with the story. Thomas Mann's masterly short novel has already been turned into a movie by Visconti and an opera by Benjamin Britten. A stage version, however, is an even bigger challenge because of the need for greater dialogue. The novel depends heavily on the writing style and the imagination.

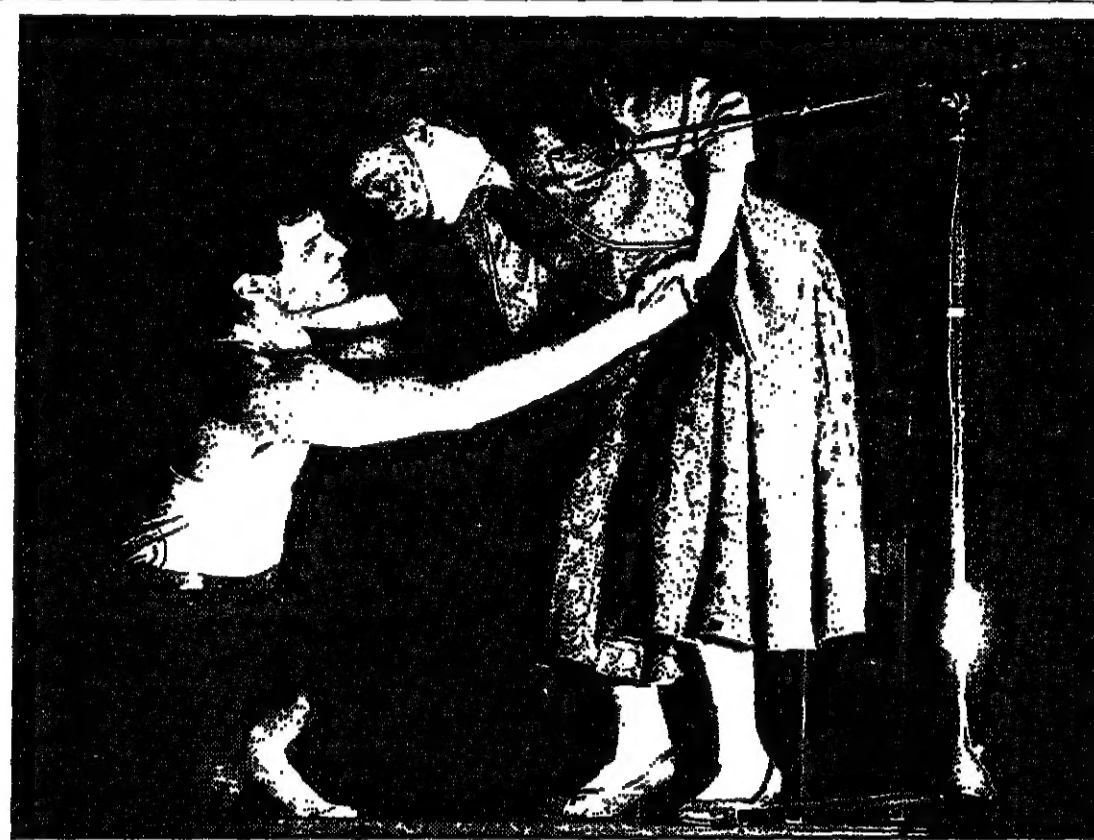
Red Shift pulls it off by preserving what dialogue there is and distributing the narrative text among the characters. Members of the cast play several roles without

the panoply of a full change in costume. At the same time, there is one central character, Gustave von Aschenbach, the Mann-like figure who goes to Venice, becomes infatuated with a young boy whom he scarcely dares approach, and then dies of cholera. Aschenbach is played by Michael Sheldon who captures the loneliness of the well-known writer whose very success makes him feel cut off from the rest of society. Sheldon does it with exquisite delicacy, never lapsing into sentimentality.

The company also has a distinctive style with sets: spare, but suggestive and functional. Three panels of dark and light blue are enough to show the sea and the sky outside Venice. Columns open up to allow a hotel reception desk and an altar to descend with the minimum of fuss. Jonathan Holloway directs, the design is by David Roger.

The production plays at the Assembly Rooms throughout the Festival before a spell at the Lyric Studio in Hammersmith, then a nation-wide tour. It is sponsored by Saronno Amaretto.

Malcolm Rutherford



Joseph Haj and Cordelia Gonzalez in Peter Sellars' production of 'The Persians'

## A new 'Foscari' and a concert 'Così'

By the end of this decade there will be no such thing as rare Verdi. The Royal Opera's grand design of staging all the Verdi operas in time for the centenary of the composer's death in 2001 is already causing ripples of activity away from London, where the productions of some of the early operas are being seen first.

*I due Foscari* is one of them - a co-production between the Royal Opera and Scottish Opera. Although widely neglected for being excessively gloomy, this is in fact one of the early Verdi works which British audiences have seen relatively recently, when English National Opera put it on in the late 1970s. On that occasion economy imposed an ironic twist upon the opera: painted backdrops were borrowed from Johann Strauss's comic operetta *A Night in Venice* with the result that Verdi's tragedy was played out in front of pretty picture-postcard sets.

None of that here. The production team at Scottish Opera - Howard Davies (producer) and Ashley Martin-Davies (designer) - had shut out any glimpse of Venetian canals, piazzas and watery vistas. They stress the dark, indoor drama about

the city's shady political activities and the Venetian Council of Ten meeting in secret session to pronounce harsh judgments on those who have transgressed its laws.

There is a Venice of austere simplicity. The same bare hallway affords access to the council-chamber and donkeys as the dungeon, when prison-bars are lowered across the stage. For the council-chamber itself rows of seats pop up through the floor, not without some mechanical hitches; coat-hangers conveniently descend from the ceiling when the councillors need to don their robes.

As in so many Verdi productions at the moment, the councillors wear everyday clothes of the composer's period, but robe themselves for duty in medieval style (as though to emphasise Verdi's choice of a 15th-century story to clothe his 19th-century political views). No matter what they wear, the Scottish Opera chorus seems to sing splendidly at the moment and the orchestra was in no less fine form. Richard Armstrong made a name for himself

early on with his Verdi conducting and this *I due Foscari* was vigorous, rhythmic, energetic.

At a time when Verdi singers of calibre are hard to find, the company has not fared badly. The Chinese tenor Deng (no Christian name, easier to spell than Pavarotti) is an interesting addition to the ranks of Italian-opera tenors. He is no actor, though he enjoys himself staggering about as the condemned Jacopo Foscari, covered in tomato ketchup. His singing is confident, plausibly Italianate in sound, though not in vocal mannerisms.

First-night nerves unfortunately had the soprano, Katerina Kudryavchenko, wandering all over the place in pitch during her poetic entrance aria. She has the quiet, floated top notes for it, though, and enough force in a venue the size of the King's Theatre to give Lucie's big moments some punch. Her Italian is indistinct. The young tenor Richard Coxon made his mark as Barbarigo; Nicolas Cavallier sang with firm, youthful bass tone as Loredano.

The scene was set for a reasonable show, when fate intervened. The baritone Frederick Burchinal, went down with bronchitis and declined to act his role while it was sung for him from the wings. This is never a satisfactory solution and it would surely have been better for everybody if Philip Joll had been allowed to complement his proudly stentorian singing by playing the character, however simply, on stage.

Scottish Opera's Managing Director announced wittily to the audience that this was a performance when they would get "I tre Foscari" - a good line, but next time a different solution would be preferred. Otherwise Verdi was well enough served. (Sponsored by Hertz.)

Richard Fairman

When you go back to a masterpiece you know, you find that you don't know it. Its component parts add up in your mind, and you find new meanings in it.

This is probably more so with *Così fan tutte* than with any other Mozart opera. The balance between delight and pain in its tale of love is always different. The women's betrayal of their fiancés - *così fan tutte*, all women do so - and the men's efforts to find them false: the degrees of feeling, folly, irresponsibility, heartlessness, in all this are forever shifting.

When Charles Mackerras conducts *Così fan tutte*, he often heightens your sense of unfamiliarity by his way with the text. He customarily adds ornaments, opens out, and chooses lesser-known arias as five versions of certain numbers; and so it was in Monday's Usher Hall concert performance - employing a text different in several details from the *Così* he conducted with Welsh National a few seasons ago. Guglielmo's first aria was given in a little-known version, Despina and Alfonso sang their duet, Ferrando sang all his arias, across off-letted recitative was restored. And all of it was alive, spontaneous, and sparkling. The opera's latter-

day commentators often exaggerate its quasi-tragic pains. True, if there is a key word in da Ponte's libretto, it is *tradimento* (betrayal); the women at the end admit that they deserve to die for it. But Mackerras reminds us that *Così*, not least when dealing with betrayal, is both fun and sensuous. The libretto, after all, is full of ozymora - "sweet pain," "dear sighs," and so on. Those who enter this opera's cruel trap are also those who find most bliss there.

The world-class cast was an appealing mix. At its core was Felicity Lott (ravishingly attired as Fiordiligi); utmost elegance, liquid phrasing, gleaming tone, vivid diction, thrilling dignity, tenderest emotion - an ideal exemplum of multi-faceted sensibility. Marie McLaughlin (a potential Fiordiligi who has recorded Despina) sang Dorabella with Latin warmth and impulsiveness, equally natural in the tragedy-queen heroics of her first aria and the delicious erotic surrender of the second. (Both her gown and her hairdo had one idea

too many, which could be in character.)

Jerry Hadley plays Ferrando as a callous buffoon, a prat whose prank prattles himself. He brought off the three arias with fluency - but why so loud? He even orated the climactic seduction duet as if to a packed forum. Alessandro Corbelli, though often drowned by Hadley in ensemble, is a Guglielmo who illumined the rarely-heard "Rivolgete a lui" and other passages with firm tone and vivid utterance. Nuccia Focile's pellucid, bright Despina and Gilles Cachemaille's detached, urbane Alfonso both know the way of the world so well that they hardly seem to steer events at all - they just nudge things along their natural course.

All praise to the Scottish Chamber Orchestra, playing for Mackerras with panache, luscious tone and wit. Though the great solos and duets of this *Così* were warmly applauded, its great events were its larger ensembles. These so fitted with dancing rhythms and changing dynamics that we, spectators, became as helplessly involved as any participant onstage.

Alastair Macaulay

INTERNATIONAL  
ARTS  
GUIDE

## BAYREUTH

In the absence of The Ring, interest this year focuses on a new production of Tristan und Isolde, marking role-debuts for Siegfried Jerusalem and Waltraud Meier. Max Loppert, writing on this page, said that although Jerusalem's voice might be considered light by traditional Heldentenor measurements, he had mastered the art of Wagner pacing. Meier, he said, sounded not just beautiful, but aptly in character, capable by turns of imperious flourish, soft romantic raptures - as if she had lived long with the character. Heiner Müller's first-ever opera production, designed by Erich Wonder, was described as abstractly interesting, emotionally distancing and centrally unromantic. The conductor is Daniel Barenboim. The programme also includes Parsifal conducted by James Levine, with Deborah Polaski as the new Kundry. Poul Elming and Paul Frey share the title role in Wagner Herzog's 1987 staging of Lohengrin. Donald Runnicles conducts Wolfgang Wagner's 1985

production of Tannhäuser, with a cast led by Wolfgang Schmidt. Tina Kiberg, Elke Wilim Schulte and Manfred Schenk. Giuseppe Sinopoli conducts Dieter Dorn's 1990 production of Der fliegende Holländer, with Bernd Weik as the Dutchman and Sabine Hass as Senta. Ends Aug 28 (0521-20221)

## BERLIN

This year's festival (Aug 31-Sep 30) is a meeting point between Europe and Japan, with performances by Tokyo Ballet, New Symphony Orchestra of Tokyo, traditional Kabuki and Noh theatre and other Japanese ensembles. There are concerts conducted by Abbado, Ashkenazy, Barenboim, Masek, Norrington, Sandering and Tennstedt, plus Beethoven piano recitals by Brendel and Pollini. Peter Brook brings his Paris-based company with L'homme qui (Berliner Festspiele Kartenbüro, Budapeststrasse 50, D-10787 Berlin. Tel 030-254890 Fax 030-254 8911)

## HEIDELBERG

This year's open-air festival at Heidelberg Castle features productions of Cav and Pag. Romberg's The Student Prince (sung in English) and Haydn's rarely staged L'isola disabitata. Tonight's concert by Eastman Philharmonia Orchestra features music by Vaughan Williams, Mozart and Beethoven. Ends Aug 31 (Tel 06221-583621)

## HELSINKI

The festival, celebrating its 25th

anniversary, opens on Aug 24 with a Helsinki Philharmonic Orchestra concert featuring Karan Armstrong as soloist in Schoenberg's Erwartung. Esa-Pekka Salonen brings the Swedish Radio Symphony Orchestra for two concerts, and other concerts are conducted by Marek Janowski, Leif Segerstam and Hans Drezwan. Recitalists include Julia Bream, Jessye Norman and Cecilia Bartoli. There are also performances by Ingun Björnsgaard Dance Company, Susanne Linke Dance Company and the Avangli Ensemble, which brings classical and modern Islamic music from Turkey. Ends Sep 12 (664468)

## BESANCON

Besancon's prestigious conductors' competition coincides with its annual music festival, which runs this year from Sep 4 to 17. Guest ensembles include the Czech Philharmonic under Gerd Albrecht, the Hilliard Ensemble, the Orchestre National de France under Charles Dutoit and the Orchestre National de Toulouse under Michel Plasson. There will also be a special Maurice Ohana commemorative concert given by Les Percussions de Strasbourg (8181 8226)

## CASTELL DE PERALADA

The gardens of this Catalan castle north of Barcelona are the beautiful setting for an annual festival of opera, dance and concerts. The final week includes a performance on Sat of Falla's Nights in the

Garden of Spain by Alicia de Larocha, and a concert on Mon by the St Petersburg Philharmonic Orchestra under Yuri Temirkanov (072-538125)

## LA ROQUE D'ANTHERON

The castle grounds of La Roque d'Antéron, equidistant from Avignon and Marseilles, are the peaceful setting for a piano festival which has been gathering international renown since it was founded eight years ago. In tonight's concert, Nicolai Dornichenko plays music by Rakhmaninov, Chopin and Medtner. Other pianists featured in the final week of this year's event are Moura Lympany, Georges Pludermacher, Elisabeth Leonskaja and Bob van Asperen (4250 5115)

## LINZ

This year's Bruckner Festival runs from Sep 11 to Oct 3. The opening performance of the Eighth Symphony will be given by the Linz Radio Symphony Orchestra conducted by Lorin Maazel. Other visitors include the Hilliard Ensemble with a programme of choral music by Bruckner, Pärt, Purcell and Cage; I Solisti Veneti with works by Respighi and Wolf-Ferrari conducted by Claudio Scimone; and Russian pianist Lazar Berman. Horst Stein conducts the Bamberg Symphony Orchestra in Bruckner's First Symphony, Philippe Herreweghe conducts La Chapelle Royale in Bruckner's Mass in E minor with wind accompaniment, and the final two concerts are given by the

London Philharmonic under Franz Welser-Möst (Brucknerhaus-Kasse, Untere Donaustraße 7, Postfach 57, A-4010 Linz tel 0732-775230)

## SAN SEBASTIAN

Highlights of this year's festival, which opened on Mon, include Piar Luigi Pizzi's Monte Carlo production of La traviata, the St Petersburg Philharmonic Orchestra, Spanish National Orchestra with its chief conductor Aldo Ceccato, a series of organ recitals devoted to the works of Messiaen and church concerts featuring the Hilliard Ensemble and others. Ends Sep 2 (Quincena Musical, Teatro Victoria Eugenia, Reina Regenta s/n, 20003 San Sebastian, Spain. Tel 043-881238 Fax 043-430702)

## SANTANDER

This year's visitors include Anne Sophie Mutter, the Scala Orchestra with Muti, and a bevy of Russian artists - the St Petersburg Philharmonic and Bolshoi Opera Orchestras and the St Petersburg State Ballet. However, the Kirov Opera has cancelled its visit. Ends Aug 31 (Festival Internacional de Santander, C/Canario s/n, 39004 Santander, Spain. Tel 042-314819 Fax 042-314767)

## SCHLESWIG HOLSTEIN

Like a musical mosaic, the festival spreads out from Hamburg, Lübeck and Kiel to some of the most attractive towns in northern Germany, in venues with a more

local atmosphere than most international festivals. In tonight's concert at Kiel, Gidon Kremer is violin soloist with the Asian Youth Orchestra conducted by Eri Klas. Other artists featured in the final week of this year's festival are Anne Sophie Mutter, Christa Ludwig, Yekutieli Mendel, Krzysztof Penderecki, Sinfonia Varsovia and the Wynton Marsalis Band. Günter Wand conducts the North German Radio Symphony Orchestra in the closing performances of Bruckner's Eighth Symphony on Sat and Sun in Lübeck (0431-567080)

## TORROELLA DE MONTGRI

The festival is based in a town on the Costa Brava near Spain's border with France. The Solomon Trio gives a concert on Fri, followed by the Berlin Philharmonic Virtuosi on Sat and Jean-Pierre Rampal on Sun (0972-761098)

## WARSAW

Despite the presence of chamber ensembles from Lithuania, Czechoslovakia and the Netherlands, this year's Warsaw Autumn contemporary music festival (Sep 17-25) has a less international look than in the past two years, apparently because of economic problems. Nevertheless, the festival continues to provide an international platform for Poland's lively contemporary music scene, with contributions from Penderecki, Lutoslawski and Gorecki (Warsaw Autumn, Rynek Starog Miasta 27, 00272 Warsaw. Tel/Fax 022 310607)

## ARTS GUIDE

Monday: Performing arts guide city by city.  
Tuesday: Performing arts guide city by city.  
Wednesday: Festivals Guide.  
Thursday: Festivals Guide.  
Friday: Exhibitions Guide.

## European Cable and Satellite Business TV

(All times are Central European Time)  
MONDAY TO THURSDAY  
Super Channel: European Business Today 0730; 2330  
Monday Super Channel: West of Moscow 0230.  
Super Channel: Financial Times Reports 0630  
Wednesday Super Channel: Financial Times Reports 2030; 0130  
Friday Super Channel: European Business Today 0730; 2330  
Sky News: Financial Times Reports 0530  
Saturday Super Channel: Financial Times Reports 0930  
Sky News: West of Moscow 1130; 2230  
Sunday Super Channel: West of Moscow 1830  
Super Channel: Financial Times Reports 1900  
Sky News: West of Moscow 0230; 0530  
Sky News: Financial Times Reports 1330; 2030







## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Wednesday August 18 1993

## The MMC and British Gas

YESTERDAY'S Monopolies and Mergers Commission's reports on the UK gas market are in some ways more radical and in some ways less radical than expected. The commission has been more radical in recommending a break-up of British Gas, but less radical in proposing that the company's domestic monopoly not be abolished until early next century.

The overall thrust of the two reports, which aim at a more competitive gas market, seems about right. Although British Gas has certainly improved value for money and customer service since privatisation in 1986, much remains to be done. The company is still overstaffed, while its monopolistic culture remains strong. Greater competition will not only give British Gas an incentive to become more efficient, but also give customers a choice.

Nevertheless, some of the commission's detailed recommendations are open to question. First, the proposed timescale for abolishing British Gas's monopoly seems too leisurely. The company currently has a lock on all customers using less than 2,500 therms a year. The commission thinks this figure should be reduced to 1,500 therms in 1997 with further liberalisation postponed for another three to five years.

The reason for the delay is that the commission has been persuaded by British Gas's argument that a free-for-all could cause problems in balancing supply and demand through the pipeline system. This, it argues, would not only inconvenience customers but could lead to gas explosions.

## Safety argument

While this safety argument cannot be ignored, a solution could surely be found in less than seven to nine years. The modest reduction in the monopoly proposed for 1997 will bring the benefits of competition, currently enjoyed by business customers, to only 500,000 of British Gas's 18m domestic customers. Customers, who can already choose their telephone company and who by 1998 will be able to pick their electricity supplier, will wonder why they are denied choice in gas.

Second, the form of break-up advocated by the commission may not be ideal. It wants British Gas's trading arm - responsible for sell-

ing gas to customers - to be split from the rest of the business to ensure fair treatment for rival trading companies which have to send their gas through the company's pipelines. The commission argues that a complete separation was necessary. The less radical option of putting Chinese Walls between the pipeline and trading businesses would, it believes, still allow British Gas to show favouritism to its in-house trading company. And although break-up would have its costs, they would be outweighed by the benefits.

## Break-up costs

Nevertheless, if the one-off costs of break-up are to be incurred, a preferable option may be for the pipeline business rather than the trading arm to be divested. This would ensure fair access to the pipelines not only for rival trading companies but also rival North Sea gas producers. The commission seems to have rejected this approach on the flimsy grounds that British Gas needs to be a large integrated pipeline and production company to compete in world markets.

In deciding whether to accept the commission's recommendations, ministers will have to answer some awkward questions.

Are they prepared to see an end to the system under which all domestic customers pay the same for each unit of gas? Unbridled competition could lead to prices going up for people who use little gas, such as the elderly, and those living in remote rural areas. Although heavy users and city-dwellers should benefit from competition, the government may feel uncomfortable if vulnerable groups end up with higher bills.

Who should pay for the costs of divestiture? The commission has recommended that the costs are passed through to customers - a proposal that pleases British Gas. But the public will be rightly concerned if shareholders, who have already done well since privatisation, seem to benefit at the expense of customers.

Quick answers are not likely. Nor are they desirable since most interested parties will not have access to the commission's full reports until next month. But the pro-competitive stance of these reports is the right one: action should follow.

## Nigeria's choices

FOUR TIMES, President Ibrahim Babangida, Nigeria's military leader, has postponed a handover to civilian rule. Yesterday he continued to vacillate, saying that he had told his army colleagues he was prepared to resign, but giving no indication of actually doing so. Meanwhile his speech failed to provide details of the interim government he promised Nigerians when aborting the presidential poll last June.

The sooner the general goes the better, and international and domestic pressure must make him choose one of two options. In theory, the most honourable would be to respect the result of the June election. Unofficial results gave clear victory to Chief Moshood Abiola. Flawed though the process was, it offered one way back to civilian rule. If the general cannot accept that, he has another escape route. His offer of an interim government could win support, if he retired leaving effective power in the hands of a new civilian administration.

Western governments can play some part in forcing him to

choose. They can warn that in addition to existing ban on visas for military officers, an arms embargo will be imposed, arms contracts suspended, and heads of diplomatic missions withdrawn.

This is not enough to budge General Babangida from his bunker. First and foremost the solution lies within Nigeria. The trouble is there is a growing danger that the campaign to oust the general will become less a struggle for civilian rule than a battle between the predominantly Moslem north and the mainly Christian south.

The divide was starkly illustrated by last week's stay-at-home called to protest against military rule. It was massively supported in south-west Nigeria, the Yoruba-speaking stronghold of Mr Abiola, but won little backing in the north.

Whatever strategy Nigeria's opposition chooses to pursue, it is vital that it transcends this dangerous political fault-line. If this crisis cannot forge a coalition that overcomes ethnic, religious or other rivalries, Nigeria's prospects are bleak.

## Keating's haul

WHEN Mr Paul Keating's Labor party unexpectedly won the Australian general election last March, everybody knew victory had its price. Yesterday's federal budget made clear the cost: a growing problem with public sector and current account deficits, rising taxes and a risk that the government's hard-won grip on inflation may begin to slide.

Promises by Mr John Dawkins, the federal treasurer, of sustained job creation seem wishful: despite fiscal stimulus, unemployment remains stuck above 10.7 per cent of the workforce. Reaffirmed intentions to cut the budget deficit from a record A\$15bn to A\$9bn, or 1 per cent of gross domestic product, by 1996-97 seem more fanciful still in light of hesitant economic growth. For all its strides in streamlining the economy in recent years, the government now has its work cut out to preserve credibility with financial markets and to boost its political capital at home - and another election is less than three years away.

Mr Dawkins will no doubt make much of having kept a pledge to reduce personal tax rates this November. But this should not be allowed to hide the government's

embarrassment at having to junk a second promised round of tax cuts later. Nor, given the way Mr Keating focused his campaign fire on opposition plans for a sales tax, can he escape the charge that he is doing something similar by raising indirect taxes.

More worrying is the impression that the government has no clear medium-term strategy for controlling public expenditure. Mr Dawkins talked yesterday of further cuts in defence spending, and even of tightening up on the social security budget - although Mr Keating had insisted on the stump that there was no fat to cut. With national savings at their lowest for 30 years, the government will thus need to raise new direct taxes as well as broadening indirect taxation if it is to have a hope of meeting its deficit target.

Ultimately, however, Australia's biggest problem is slow growth. GDP is forecast to rise this fiscal year by 2.75 per cent - less than is needed to maintain per capita income. Only through faster growth will Messrs Keating and Dawkins create the employment needed to secure re-election - and that, sadly for them, is largely beyond their control.

Michael Heseltine, UK secretary of state for trade and industry, has had plenty of holiday reading heaped on him by the Monopolies and Mergers Commission. But while yesterday's 2,000-page report contains a clear set of recommendations on how to deal with the monopoly of British Gas, he now has to judge whether they are politically acceptable.

In this, he will have to weigh the government's deep-seated commitment to greater competition against the disruption that is bound to accompany the largest company break-up seen in the UK. There will be implications for domestic gas prices - always a highly sensitive subject - and for the wider energy balance where the future of coal is already at stake.

Above all, he and his ministerial colleagues are keen for a solution that brings to an end the bitter squabbling between British Gas and its regulator, Ofgas, which has overshadowed the company since privatisation in 1986, and which triggered the monopoly inquiry in the first place.

The clarity of the commission's report is both its strength and weakness. It is forthright about the anti-competitive effect of British Gas's dominance of all segments of the gas market, and about the remedies that are needed. British Gas must be made to sell off its supply business, and barriers must be lowered to allow more competitors to enter the market to supply households and other small consumers.

Mr Graeme Odgers, commission chairman, said the present structure of British Gas's business "is unable to provide the necessary conditions for self-sustaining competition".

The report is also a carefully crafted document. It sets out a timetable of events extending over nine years in a logical progression, leading from today's highly regulated environment to one in the year 2002 where the gas market is totally free. But some events are also designed as counterweights to others to keep disruption to a minimum. Thus, British Gas is allowed various price benefits to compensate it for the dismantling of its monopoly.

However the commission's craftsmanship also makes it harder for Mr Heseltine to play around with the recommendations. If he only wants to accept part of them, or tries to change them, the whole package risks falling apart, rather like a Chinese puzzle.

Will he, for example, accept the most dramatic recommendation: that British Gas be made to divest itself of its trading activities by 1997? This goes much further than most observers had been expecting because of the huge costs and practical difficulties in dismantling an industry of this size. It even exceeds the demands contained in a special report prepared by a number of British Gas's would-be competitors and Coopers & Lybrand. They

Disruption would accompany the break-up of British Gas, says David Lascelles. Is it politically acceptable?

## Balancing act in the pipeline



Gas trio: clockwise, James McKinnon of Ofgas, British Gas chief executive Cedric Brown, MMC's Graeme Odgers

called for the separation of British Gas's activities into subsidiaries rather than a complete break-up.

Logic, insofar as it is any guide, suggests that Mr Heseltine will agree to a break-up. The government is keen to stimulate competition. It has also been bombarded with criticism for transforming a string of utilities - from British Telecom to the electricity generators - into something approaching private sector monopolies. The monopolies commission gives it the opportunity to correct the problem in one sector.

Mr Heseltine could still opt for the lesser course proposed by the Coopers report. But the commission is emphatic that this would not achieve the desired objective of creating true competition. It also asserts that the cost of break-up - £20m annually - is less than British Gas has been warning of, and would in any case be offset by lower prices as a result of increased competition.

He also faces some tricky issues in the abolition of British Gas's monopoly of the tariff market for small consumers. Although the way forward should be clear to a free-market government, opening up any utility market to competition is fraught with problems.

Under the present arrangements, a minority of British Gas's customers - the top third - pays more for its gas and subsidises the majority. This pricing structure would be swept away by competition, meaning, as the commission tactfully puts it, there would be "winners and losers". The "postalised system", which currently ensures that all consumers pay the same no matter how much it costs to transport the gas to them, would also be sacrificed, so remote consumers would pay more.

There are also technical and social problems in deregulating gas: who would be responsible for ensuring that the system operated safely,

and who would supply the disadvantaged segments of the population? If the commission report has a weakness, it lies in its failure to address these difficulties. "These are matters for the regulator," Mr Odgers said yesterday.

It would be easier for Mr Heseltine to deal with the commission's proposals if the government was not already embroiled in controversy over the imposition of value-added tax on home heating, and the long-running row over the run-down of the coal industry. Both these issues have shown that there are few better ways that the government can stir public ire than by interfering with the energy industry. It was already clear yesterday that the Labour party is ready to pounce on any move which suggests that little old ladies might be left shivering in the cold.

There is one way Mr Heseltine could modify the recommendations to make the package as a whole

more politically acceptable. The commission took the view that the costs of the restructuring should be loaded on to the consumer rather than British Gas's shareholders. This was because it believed that the company's profitability should be enhanced to enable it to attract investment - and presumably win British Gas's support for the package and help it fatten up the trading business for divestment. Mr Heseltine could redirect a portion of these costs on to British Gas itself, which would have the double advantage of keeping prices down for the consumer and ensuring that costs were being shared.

Apart from the consumers and shareholders, a third constituency that needs to be catered for is the group of potential competitors. Unless the arrangements are sufficiently attractive, they will not participate and the whole exercise will fail.

With its forthright emphasis on opening up the market, the report went down well with this group yesterday. Mr Edward Trafford, marketing director of Mobil, one of the largest suppliers of gas from the North Sea, commended the commission for "good thinking" in the recommendations. "They put British Gas on a level playing field. The timetable might be a bit faster but at least they've shown us the horizon we're heading for."

For British Gas itself, the report marks the beginning of a period of deep uncertainty, both over Mr Heseltine's intentions and, assuming he accepts most of its recommendations, the future of the gas business as it settles into its new shape. The hazard it faces is that Mr Heseltine will take the politically easier route of accepting only those parts of the report that profit the consumer without giving British Gas the countervailing benefits.

However, it seems unlikely that Mr Heseltine can afford to be too selective as he pores over the recommendations. The question of whether more competition needs to be injected into the gas market is hardly at issue any more. The report has identified the two main defects of the gas business: the conflict of interest inherent in British Gas's control of all aspects of gas supply and transportation, and the effect of the lack of competition on prices and service standards.

The question has now moved on to how best to deal with these defects. The Department of Trade and Industry was being studiously uncommunicative yesterday about its views on the report. But ministers have already indicated that they want a "manageable" solution to the British Gas problem. By this they mean an outcome that satisfies most of the concerns of most of the interested parties. That is no small task. But the commission's report has clarified many of the issues in this most complex of monopolies, and pointed to the possible answers.

## A lull in creative tension

Deborah Hargreaves on the outlook for the regulator

commission recommended.

Mr Graeme Odgers, chairman of the commission, said he believed the regulatory system was fundamentally sound, though "there have been problems with rather confrontational relationships". But, in future, the closer concentration of Ofgas on the technical aspects of the pipelines company should reduce the element of acrimony.

The retirement of Sir James in October and of Mr Robert Evans, chairman of British Gas, next year, will help to smooth tensions between the company and its regulator. Sir James's Glaswegian charm has made little impact on the tectonic Mr Evans, and they have failed to strike up a cordial working relationship.

Sir James describes his relations with British Gas as "creative ten-

sion", but the tension has often been more evident than the creativity. Sir James has implied that British Gas's top management is not up to the job of taking the company into a new competitive marketplace. British Gas has countered with implications that the regulator is "off his rocker".

"It is very important to say that the regulatory system has been given a clean bill of health by the commission. British Gas had been pouring a huge amount of scorn on us," said Mr McGregor.

Ofgas welcomes the chance to develop a relationship with a separate pipelines company - which is what will be left of British Gas when its trading activities have been divested after March 1997. Mr McGregor said he relished the idea of working with the company to set

up a regulatory regime, rather than working against it as now.

Sir James's attempts to agree pricing and structural reforms with British Gas have been fraught, and he has often turned to the media to promote his views. British Gas has sometimes been caught on the hop, as when Sir James called on the company to cut its prices to household customers in an early-morning radio programme last year.

"With the changes at the top of Ofgas and British Gas, I think it provides an opportunity for a constructive relationship to be built," said Mr Cedric Brown, chief executive at British Gas.

But already hints of future tension have slipped into the more cooperative noises emanating from both the company and the regulator. Ofgas wants to see competition

introduced for household customers more quickly than the commission has proposed. It believes that many of British Gas's fears of price rises for small users, and other penalties of a freer market, are "alarmist".

In addition, the regulator is unhappy about suggestions by the commission that the consumer should foot the bill for the costs incurred in selling off British Gas's trading arm. Ofgas is prepared to push hard for shareholders to bear this burden, since it is they who have benefited from monopoly prices - higher than if the market were competitive - since privatisation.

The commission has also trustily left the details for the introduction of competition into household supply open to negotiation between Ofgas and British Gas. This is an area that could prove contentious since views differ greatly. Sir James's successor will need patience and tolerance if he or she is to remain in harmonious relations with British Gas.

## Shipyard humour

Over the years John Selwyn Gummer, Britain's environment minister, has been called everything, from a well-oiled choirboy and solemn-visaged pipe-smoker to a born head prefect. But until now no one has ever dared to call him a "drittsakk", in public at least.

However, Norwegian environment minister Thorbjørn Berntsen has no such hang-ups. Berntsen, 58, who used to be a ship's plumber before he took up Gummer's trade, was addressing a pre-election rally when he uttered one of Norway's more common swear words, which apparently translates into something very vulgar, to describe his opposite number in England.

The Norwegians are particularly upset by British emissions of poisonous gases which fall as acid rain in Norway, killing forests and polluting lakes. But there is more to it than that. Berntsen, not known for his environmental sensitivities until he got his job, obviously does not like Gummer. But unlike his counterpart Labour MPs in Britain, he is not afraid of saying so.

Yesterday Berntsen admitted that he could probably have said the same using somewhat different words, but "I usually say things directly so that people understand what I mean". And whereas lesser

political figures might have toned down their comments yesterday, the minister was showing no signs of being cowed by the rising diplomatic storm. He told the state radio station that Gummer was one of "the most arrogant people" he had ever met.

The British embassy in Oslo said it was regrettable for ministers to use such language, but it seemed that "Mr Berntsen has been expressing himself in his usual forthright way".

But John Gummer won't stoop to calling Berntsen a whale-murderer.

## Containment

Tiphook's finance director, Roger Brudwood, walked the plank yesterday - a move thoroughly well-leaked, as has become the wont of the appropriately named company.

Nothing surprising in that, given the catalogue of recent financial disasters. But why did he not go at prelims time in July - surely something else has not gone wrong? And why is he being replaced by his deputy, Andrew Chandler, who has been there since 1990 and so is no new broom.

The answer is probably that Tiphook, shuddering under gearing levels of 470 per cent, could scarcely allow itself the luxury of a lengthy executive search, even if it thought it could lure the right person. And Chandler is by all accounts a

## OBSERVER



slightly more down-to-earth character than his flamboyant predecessor.

Quite enough entrepreneurial flair is resident in chairman Robert Montague.

## Living down

UK telly-addicts rejoice! Next month brings a brand new 20th channel, if boredom is setting in with the other 19. A paltry selection, perhaps, compared with the 150 on offer in New York, but this one is worth waiting for. UK Living is aimed at women

aged between 35 and 45 from socio-economic classes C1, C2 and D. "What do women in the 1990s want?" asks an enthusiastic Paul Styles, on secondment from KPMG Peat Marwick. "They want reality, they want romance, to get in touch with their better feelings."

But what do they get? Reruns of BBC TV chat shows; US soaps and dramas; a new game show featuring bickering couples; and an item called Polly on the Trolley, with prizes.

## Comic turn

US ambassadors to Mexico are in the habit of stirring things up, but has Jim Jones, who is stepping down as chairman of the American Stock Exchange to take up the top diplomatic post in Mexico, set a record?

Even before he had set foot in the country, Jones was heard agreeing to check figures on drug hauls as well as to broach the ticklish question of electoral fraud. That may have satisfied his interlocutor during confirmation hearings, right-wing republican senator Jesse Helms, but the nationalist Mexican press immediately branded Jones an interventionist would-be proconsul. Even the normally sedate Excelsior newspaper urged his replacement.

Jones, a former democrat congressman from Oklahoma, complains that he merely said yes to Helms's leading questions and

was misunderstood. Still, if he is to avoid the fate of John Gavin, the former movie star appointed Mexican ambassador in 1981 by Ronald Reagan, he had better smarten up his act.

Gavin's willingness to break all the rules of diplomacy went down well with the likes of Helms, but his period in office coincided with a low point in relations between the US and its important neighbour. Gavin so incensed the locals that the Mexican press suggested that Cantinflas, the comedian who made his name in Around the World in 80 Days, should be sent as Mexico's ambassador to Washington.

## Jones the Joke

Entering the Pearly Gates, Mrs Jones is anxious to enlist St Peter's help in finding her late husband. On being told his name is Dai Jones, the saint sighs. "We have hundreds by that name," says he, could she perhaps be a bit more precise? Was he, for instance, Jones the Post or Jones the Grocer? Mrs Jones was unable to oblige.

"Funnily enough he never had a nickname," "Well," said St Peter, patiently, "can you give me any other sort of detail?"

After a little thought, Mrs Jones related how her husband had always said he would turn in his grave were she to be unfaithful to him when he was gone. "Aha," cried St Peter. "That must be Revolving Jones."







# FINANCIAL TIMES COMPANIES & MARKETS

© THE FINANCIAL TIMES LIMITED 1993

Wednesday August 18 1993



## INSIDE

### DnB prepares for reprivatisation

Den norske Bank, Norway's biggest bank, has announced a return to profit and said preparations for reprivatisation could commence this autumn. DnB's first-half net profit was Nkr204m (\$27.72m) against a net loss of Nkr1.16bn last year. It cited improved net interest income, strong gains on securities due to a sharp decline in domestic interest rates and improved efficiency. Page 15

### Declining margins for US shops

Two big US store chains, JC Penney and Dayton Hudson, have reported a decline in core retailing margins in the second quarter of 1993, providing further evidence that the US retail industry remains highly competitive. Page 14

### High hopes for NCB president

Nippon Credit Bank is hoping that its new president, from Japan's finance ministry, will lend credibility to claims that the worst of its bad loan problems are over. Through Mr Hiroshi Kubota, the bank has begun a campaign to convince the outside world that Japanese reports of its problems are exaggerated. Page 14

### Sedgwick in £144m rights issue

Sedgwick, one of the UK's biggest insurance brokers, yesterday launched a £143.7m (\$214m) rights issue to fund two acquisitions. The announcement came as the group unveiled pre-tax profits up 4 per cent to £54.1m in the six months to June 30. Page 15

### Strong rally for motor groups

Evans Halshaw, the motor dealing group, is looking for significant acquisitions as its trading performance improves. The Solihull-based group announced that pre-tax profits for the six months to June were £2.7m (\$3.5m), compared with £1.5m. Meanwhile, Quicks, the Manchester-based motor distributor, continued its recovery with a 24 per cent rise in first-half pre-tax profits. Page 17

### Kalon paints a rosy picture

Pre-tax profits at Kalon, the paints group, rose 42 per cent to £2.7m (\$13m) in the six months to July 3. Mr Mike Hennessy, managing director, said Kalon had lifted its market share in the UK retail and trade paints sectors, though margins had fallen. Page 18

### US approves Glaxo drug

Glaxo has won US approval for its endoneurion drug, sold under the Zofran trade name, to treat patients suffering from nausea that sometimes follows surgery. The approval could add more than \$200m a year to the sales of the drug by 1997. Page 18

### Lithuania reverses farm output

In 1991, Lithuania started breaking up its 1,058 land collective into 413,000 plots of no more than 3 hectares each. The generous land restitution scheme has created 104,000 new private family farms - in a country of only 3.7m people. However, agricultural production plummeted last year. "Chaotic agricultural reforms have brought down the industry," said a former member of parliament. Page 20

### Germany's top turnover

Turnover in Europe's top eight equity markets rose strongly for the second month in succession. Germany was the headline performer in turnover terms over the month, a 43.2 per cent rise. Its share price gain was slightly below average, at 5.8 per cent in local currency terms. Back Page

## Market Statistics

Base lending rates	25	London share service	21-23
Benchmark Govt bonds	18	Life equity options	18
FT-A indices	21	London trade, options	18
FT-A world indices	24	Managed fund services	24-26
FT fixed interest indices	15	Money markets	15
FT/ISMA int bond ave	18	New int. bond issues	18
Financial futures	28	World commodity prices	28
Foreign exchanges	28	World stock mkt indices	28
London recent issues	16	UK dividends announced	16

## Companies in this issue

Arch Minerals	14	GT Chile Growth Fund	18
Ashland Oil	14	Glaxo	18
Ashurst	18	Guoco	18
Brent Walker	17	Hanson	33
British Airways	19	Hewlett-Packard	15, 13
Bucknell	18	Hoskins Brewery	18
Burns	17	Hunter Douglas	18
Butler	18	ISS	15
Canon	14	J.C. Penney	14
DDI	14	Kalon	18, 19
Dayton Hudson	14	Nestlé	14
Degussa	13	Nippon Credit Bank	14
Dell Computer	15	Nordbank	17
DnB	15	Quicks	17
Envi	15	RTZ	18
Epwin	15	Royce	17
Europa Minerals	17	Royal Bank Scotland	17
Evans Halshaw	17	Sedgwick	15, 17
File Indimer	17	Stonehill	17
		Tiphook	17
		US Smelter Cos Trust	17
		Wharf (Holdings)	14

## Chief price changes yesterday

FRANKFURT (DEM)		
AGC	173.5	+ 3.4
AGF	745	- 55
AGL	710	- 20
Goldschmidt TH	710	- 20
Heldt 2m	1100	- 15
Hofstad	1141	- 21
Hofstad 2m	955	- 15
NEW YORK (\$)		
AGC	1594	+ 116
AGF	4110	+ 76
AGL	4590	+ 76
J.C. Penney	674	+ 14
Dayton Hudson	3074	+ 16
Digital Equipment	704	+ 5
Hewlett-Packard	704	+ 5
PARIS (FF)		
AGC	173.5	+ 3.4
AGF	745	- 55
AGL	710	- 20
Goldschmidt TH	710	- 20
Heldt 2m	1100	- 15
Hofstad	1141	- 21
Hofstad 2m	955	- 15
LONDON (Pence)		
AGC	434	+ 8
AGF	1116	+ 20
AGL	1116	+ 20
Goldschmidt TH	1116	+ 20
Heldt 2m	1100	- 15
Hofstad	1141	- 21
Hofstad 2m	955	- 15
J.C. Penney	674	+ 14
Dayton Hudson	3074	+ 16
Digital Equipment	704	+ 5
Hewlett-Packard	704	+ 5

## Hewlett's rise of 44% fails to impress

By Louise Kehoe  
in San Francisco

HEWLETT-Packard yesterday reported a 44 per cent increase in third-quarter earnings, but failed to live up to Wall Street's projections.

The computer and electronics group's stock fell sharply to \$71 1/4 at midday, from Monday's close of \$76 1/4.

Net earnings for the quarter were \$27m, or \$1.06 per share, well below analysts' projections of about \$1.20 per share. In the third quarter of last year, net earnings were \$18m or 75 cents per share.

Expectations had been inflated by the strong growth in orders placed in the first half of the year. HP had, however, warned that it expected slower order growth in the third quarter.

The decline in the order growth rate, from 26 per cent in the first half to 19 per cent in the third quarter, was nonetheless "a bit disappointing", said Mr Lew Platt, president and chief executive. Growth slowed substantially in Europe and slightly in Japan, but remained "healthy" in the US.

Net revenue for the third quarter rose 23 per cent to \$5bn. Net revenue in the US was \$2.4bn, up 28 per cent, while international revenue totalled \$2.6bn, an

increase of 18 per cent.

"Our results are a major improvement over last year's third quarter, with profit margins up and earnings growing faster than revenue," said Mr Platt. "We did a good job of ramping up shipments to respond to strong customer demand for our new products."

Operating expenses rose only 9 per cent.

HP expressed concern, however, about a sharp rise in inventory levels, particularly in its personal computer printer group which had stockpiled parts in anticipation of a fourth-quarter seasonal surge in sales.

For the first nine months, net revenue increased 21 per cent to \$14.6bn. Net earnings increased 8 per cent to \$578m, or \$3.47 per share, from \$513m or \$3.21 per share in the same period last year. Comparisons exclude the effect of a \$332m post-tax charge last year for an accounting change on retirement benefits.

Mr Platt said that improved profitability remained the company's top goal. "Our new-product programmes are aimed at pursuing and creating revenue-growth opportunities," he said. "We will also maintain a tight focus on expenses with the goal of reducing our cost structures. In addition, reducing inventory levels is a priority."

## De Beers holds dividend despite note of caution

By Philip Gawth  
in Johannesburg

DE BEERS, the South African-controlled company that dominates the world diamond industry, is maintaining its dividend at 25.3 US cents a share following improved earnings in the half year to June.

Although the company continues to be very cautious about prospects for the second half, the outlook is much better than a year ago when De Beers announced unexpectedly that a weak market would force a substantial cut in the final dividend.

The balance sheet has also strengthened, showing an overall improvement of \$93m following a decline in borrowings and an improvement in net current assets. The finances of De Beers were weakened in 1992 when it

spent large sums stabilising the open diamond market.

At the time of the dividend warning, the company was suffering from an unexpected economic weakening in leading markets and a glut of illicit supply from Angola. Mr Julian Ogilvie Thompson, chairman, declined yesterday to discuss the 1993 final dividend.

The diamond account was largely unchanged from the same period in 1992, with income of \$373m against \$379m. An improvement in South African operations, following increased production from the new Venetia mine and the benefits of downsizing at the other mines, was offset by a weaker performance from Centenary, which holds the non-South African assets - mostly in Botswana and Namibia.

Weakness in the South African economy caused investment income from interests outside the diamond industry to fall to \$111m from \$139m. Interest income also declined to \$33m from \$66m, leaving pre-tax income 9 per cent lower at \$424m against \$473m.

A lower tax bill boosted attributable income which rose to \$535m from \$325m in 1992. Earnings per share rose to 93 cents from 86 cents last time.

Strong sales by the Central Selling Organisation, the marketing arm, of \$2.5bn in the first half of 1993, up from \$1.79bn, helped reduce dividend stocks to \$3.24bn from \$3.77bn at the end of 1992.



Ogilvie Thompson: declined to discuss the 1993 final dividend.

## Tiphook finance director resigns

By Maggie Urry

MR RODGER Braidwood has resigned as finance director of Tiphook, the container leasing and transport rental group which last month revealed pre-tax losses of £21.8m for the year to April.

He is to receive compensation totalling less than one year's salary, which was more than £500,000 according to the 1992 annual report, although he had a three-year contract.

Tiphook shares fell 2p to 242p. The company blamed last year's loss on a £77.3m charge following changes in accounting policies. The charge included losses on foreign exchange hedging and interest rate swaps.

Tiphook said yesterday that Mr Braidwood's departure was "amiable". His replacement is Mr Andrew Chandler, 36, the financial controller who joined the group in 1990. Tiphook conceded

that Mr Chandler was not well known to shareholders, but said its banks knew him well.

Tiphook also confirmed that Mr Rupert Hambro, a non-executive director, would become a non-executive deputy chairman, and that he would chair the audit and remuneration committees. A review of salaries and incentive payments to directors was in hand, and directors' salaries would be cut this year. More non-executive directors from outside the UK would be recruited "in due course".

The group said it was committed to "stronger financial controls" and that it had "adequate funding for its current needs". There has been speculation that its burden of £1bn debt could lead to an equity issue.

One lender to the group said the announcement of board changes was "an appropriate step".

## James Blitz says speculation in the ERM may be more difficult

FRENCH and German politicians have recently expressed grave concern at the profits made by currency speculators during the recent crisis in the European exchange rate mechanism.

But, ironically, foreign exchange dealers are themselves beginning to wonder whether recent events were the last opportunity to make easy profits by placing big one-way bets on the devaluations of weaker European currencies. Instead, they think that profits will come more from sophisticated marketmaking activities now that governments have allowed currencies to float within very wide bands.

Some players, like Mr George Soros, the head of the Quantum hedge fund in New York, have made big returns by selling a currency to its central bank as it approached the ERM floor against the D-Mark and buying it back when it had devalued.

But, with the new 15 per cent limits, the build-up of investor pressure as a currency approaches its floor may be less common.

"The phenomenon of central banks providing the market with a profit as they try to maintain fixed exchange rates may not be there in future," says the head of currency dealing at a top London bank.

Instead, dealers are learning to live with a different market, one in which European exchange rates move two ways but over bigger distances than they did when they were straitjacketed in smaller bands. "A 2 or 3 centime move in the D-Mark/French franc exchange rate is now a daily phenomenon," says one London currency dealer. "That cross rate might have budged by only a fraction of that amount until recently."

The new situation highlights the importance for banks of their intermediary role as marketmakers, buying a currency from a client and selling it at a more lucrative price to another. "It becomes far more important to make markets in this kind of environment," says Mr Chris Deuters, head of foreign exchange at Lehman Bros in London.

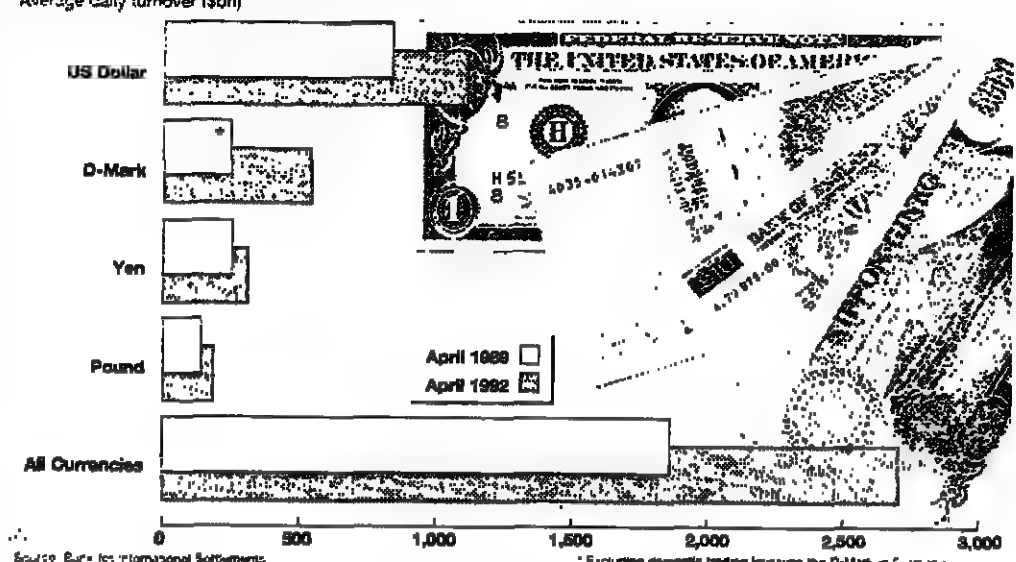
Marketmaking may sound less ambitious and exciting than taking aggressive one-way bets. But, currency managers at the leading commercial banks in London - at institutions such as Citibank, NatWest Markets or Barclays - say they have been focusing on this for some time.

This is partly through necessity. Commercial banks' balance sheets were weakened by the asset price deflation of the 1980s, making managers much more averse to risk-taking. And, even if they wanted to speculate in currencies, the Bank for International Settlements' directives restrict the amount of long-term

## Days of the one-way currency bet are over

### Global foreign exchange turnover

Selected currencies on one side of transactions  
Average daily turnover (\$bn)



Source: Bank for International Settlements

\* Excluding domestic trading involving the D-Mark in Germany

risk a commercial bank can undertake with its cash holdings. But, the returns on market-making have also been huge. Citibank, which claims to be one of the leading interbank counterparties in the London market, recently reported an increase in revenues from \$377m in the first half of 1993 to \$592m in the first six months of this year.

Chase Manhattan, another leading interbank dealer in the

United States, also reported an increase in revenues, up from \$124m in the first six months of 1993 to \$188m in the first half of 1993.



## INTERNATIONAL COMPANIES AND FINANCE

## Exercise in reassurance at Nippon Credit

The bank hopes that its new president will restore its image, writes Robert Thomson

MR HIROSHI Kubota, the new president of Nippon Credit Bank, has an impeccable reputation as a senior bureaucrat. The bank clearly hopes that his presence will lend credibility to claims that the worst of NCB's bad-loan problems are over.

Mr Kubota makes it clear that he was not parachuted in by a finance ministry fearful that the bank was collapsing. He says he took the decision himself after an approach from NCB, one of Japan's three long-term credit banks.

Through the reassuring Mr Kubota, the bank has begun a campaign to convince the outside world that reports of its problems are exaggerated, and to suggest that one reason for unwanted attention is that it has been forthcoming in dealing with non-performing loans.

NCB estimates that its own problem loans are around ¥593bn (\$5.86bn), while links to ailing housing loan corporations and to three finance company affiliates have created another ¥500bn in non-performing loans. At ¥1,000bn, non-performing loans amount to around 10 per cent of the parent bank's total loans, but the narrow definition of problem loans in Japan has given rise to suspicions that the burden is far heavier.

One sign of financial institutions'

concerns is that the interest rate in the secondary market for five-year debentures issued by NCB has crept about 0.3 per cent above that of the Industrial Bank of Japan. The two banks issued the debentures at the same rate, but NCB's much-publicised problems have created, by Japanese standards, an unusual and embarrassing distinction between the two institutions.

Bridging that interest rate gap would be a sign of the effectiveness of Mr Kubota, who aims to reduce NCB's problem loans to zero within the next three to four years - an ambitious goal given the deterioration of the Japanese property market, the source of many of the bank's ills.

Clearing away the financial debris from the bubble era of the late 1980s - when NCB, along with many other Japanese banks, funded speculative property developments - is only part of Mr Kubota's brief. He also must restore the reputation of a bank that confesses to having a "bad image".

After joining the finance ministry in 1984, Mr Kubota spent time as an inspector in the banking bureau and rose to become director-general of the National Tax Administration Agency. That background means that he knows a bank balance sheet, and his positive judgment of NCB's difficulties has had a calming influence, although it has not

yet cleared away all concerns. Instead of emphasising the bad-loan figures, NCB points to a 68 per cent rise in core banking profits, to ¥90.8bn, for the year ended March, due to a fall in official interest rates which created a favourable spread.

Net profit fell 58 per cent to ¥13.3bn after ¥70bn in provisions and write-offs, which the bank said showed its determination to deal with its loan portfolio. Mr Kubota admits that the interest rate spreads may not be as favourable this year, but says the bank will generate profits through increased business in east Asia, which he recently toured: "It is easier to generate new business in Asia than in a place like New York. Of course, New York is still very large and important, but Japanese companies are very interested in Asia now."

The new president also sees longer-term profits in domestic property, which he thinks will be stimulated by the need for urban redevelopment. The future emphasis, he says, will not just be on lending but in providing "value-added services" in development, which would take advantage of the bank's traditional expertise. In the shorter term, the property market could continue to be a source of worry for the bank. Property loans account for 21.5 per cent of lending, and

Tokyo Shoko Research, a private credit research company, estimates that NCB's total property-related exposure is 23.8 per cent, the second-highest of leading Japanese banks.

The high level of exposure partly reflects the bank's past. From 1987 to 1991, NCB was known as the Nippon Fudosan Bank, or the Japan Property Bank. It was originally the Bank of Chosen, the central bank of Japanese-occupied Korea from 1908 to 1945, and was in charge of issuing bank notes in Manchuria, northern China.

Japan's residential property market is showing signs of recovery, with demand for new apartments on the rise, but commercial property prices have fallen about 20 per cent in the past year, and appear set to fall further as large projects commissioned during the late 1980s are progressively completed.

One sign of the continuing troubles in the property market is the inability of the Co-operative Credit Purchasing Company to sell property collateral. The CCPC was established by NCB and other Japanese banks in January to help their non-performing property-related loans, and to put a floor under property prices by announcing details of collateral sales. In the period from January to July, the CCPC bought ¥902.58bn in loan credits from banks, but recovered only ¥920m in collateral.

## Asset sales help Wharf to 44% rise in profits

By Simon Davies in Hong Kong

THE Wharf (Holdings), the Hong Kong conglomerate controlled by the family of the late Sir Y. T. Fan, yesterday announced a 44 per cent increase in net profit to HK\$1.36bn (\$178m) for the six months ended June.

Operating profit was boosted by a HK\$478m pre-tax profit from the sale of the International Bank of Asia building and a portion of Wharf Cable Tower.

Wharf has interests in infrastructure, transport and communications, but has recently focused on enhancing returns from its land bank.

The company will complete 88 square feet of new property within the next four years, compared with its existing 7m sq ft of investment property.

Next month, Wharf's giant Times Square retail and office project will open. Built on top of the group's former tram depot, the company estimates the property will provide a recurrent income stream of HK\$700m at current market prices.

Wharf yesterday unveiled its plans for the further redevelopment of its Harbour City complex. It will tear down three residential blocks, and replace them with three 33-storey office towers. These will sit above a retail podium.

The combined floor area will be 2.5m sq ft. Work will start in 1994.

On October 31, it will launch Hong Kong's first cable television network, after receiving a licence five months ago. The group is determined to expand into communications, and has launched a bid for the licence for Hong Kong's second telecommunications network.

Group profits for the second half of the year will be boosted by the proceeds of the sale of its Pare Oasis residential development in Singapore.

The directors recommended an interim dividend of 19 cents a share, compared with 16.5 cents in 1992.

It was announced that Mr Peter Woo would step down as chairman in 1994, and assume the position of honorary chairman, previously held by his late father-in-law, Sir Y. T. Fan. He will be replaced by chief executive Mr Gonzaga Li.

Mr Woo will remain chairman of Wharf's parent company World International.

## Keen competition takes toll on US stores' margins

By Nikid Tait in New York

TWO big US store chains, Texas-based J.C. Penney and Minnesota's Dayton Hudson, yesterday revealed a decline in core retailing margins during the second quarter of 1993, providing further evidence that the US retail industry remains highly competitive.

Dayton Hudson, which takes in a mixture of department stores and discount outlets, said that after-tax profits in the three months to end-July fell to \$24m, compared with \$42m a year earlier.

Sales were \$4.29bn, compared with \$4bn. Net earnings would have been even lower, at \$19m, but for the inclusion of a non-recurring credit.

Mr Kenneth Macke, Dayton's chairman, said that the company was "very disappointed" with the second-quarter performance overall.

He added that the Target discount stores, which form the largest division, performed well, with operating profits improving on a 5 per cent increase in same-store sales. But even here, gross margins fell due to price-reductions, part of a strategy of "value-pricing".

Target did, however, see some improvement in the "mark-down" rate, and its operating expense ratio also

showed a slight improvement. The other two divisions - the department stores and the Mervyn's chain - both reported a fall in operating profits and deteriorating gross margins.

The second-quarter results mean that Dayton's first-half earnings stand at \$54m after tax, down from \$77m at the same stage last year. Sales in the first half were \$3.33bn, compared with \$7.69bn.

At J.C. Penney, after-tax earnings reached \$112m in the second quarter, an improvement on the \$80m in the same period of 1992, while sales rose to \$3.96bn, against \$3.79bn.

However, the company said that the advance was due to "an outstanding performance" by the catalogue division, lower expenses and a "significant rise" in the profitability of the insurance division.

Gross margins, as a percentage of sales, fell to 31.7 per cent from 32.4 per cent a year ago. Mr William Howell, chairman, said that the decline was expected "because the company's strategy in the intensely competitive retail environment has been to stress unit sales and lower initial price points".

In early trading on Wall Street, shares in J.C. Penney rose by 8% to \$45 on the news, while Dayton Hudson lost 1% at \$67.

## Deficit at Navistar after \$513m charge

By Laurie Morse in Chicago

NAVISTAR International, the Chicago-based truck and engine manufacturer which recently negotiated a landmark agreement to cut workers' post-retirement benefits, reported a net loss of \$513m, or \$9.59 a common share, for its third quarter.

The loss reflected a one-time charge of \$513m related to the new benefits plan. Excluding the charge, the company's operating results improved in the third quarter.

Before the special charge, pre-tax operating income rose to \$11m, up from a loss of \$48m in the third quarter of 1992. The 1992 quarter included a \$34m charge related to a vehicle recall.

Consolidated sales from the company's manufacturing and financial services operations totalled \$1.12bn, up 22 per cent from \$917m in the 1992 third quarter.

Mr James Cotting, chairman, said: "The improvement in year-over-year operating results is the result of increased demand across the board in all of our businesses."

The company said that shipments of mid-range diesel engines increased 30 per cent in the quarter, while retail sales of medium and heavy trucks rose 28 per cent, to 80,600 units.

Navistar on July 1 implemented a new post-retirement benefits plan, which it expects will reduce its liability for retiree healthcare and life insurance to about \$1.1bn worldwide, down from \$2.6bn.

## Two US coal groups in discussions over merger

By Laurie Morse

ASHLAND Coal, the West Virginia coal company that is 41 per cent owned by Ashland Oil, and Arch Minerals are discussing a merger which could give the combined company North American recoverable coal reserves in excess of 2.5bn tons.

The two companies said that the discussions were in the investigative stages and that there was no assurance that a merger would take place.

Arch Minerals is a St Louis-

based company with six divisions that operate independently in Illinois, Kentucky, West Virginia and Wyoming. It is privately held, owned 50 per cent by Ashland Oil and 50 per cent by interests of the Hunt family of Texas. The majority of Ashland Coal is publicly held.

Both Arch Minerals and Ashland Coal properties are involved in a selective strike by the United Mineworkers of America union. The dispute has been continuing for three months.

## Yen's strength batters Canon

By Gordon Gremb in Tokyo

CANON, the Japanese copier and camera maker, is to seek further operating activities abroad. Yesterday, it blamed the strength of the yen for a 61 per cent slide in interim pre-tax profits, to ¥15.54bn (\$151m).

Sales were down just 2.6 per cent, at ¥493.9bn, for the six months to June. The company said the rise in the yen over the period had a ¥50bn negative effect on export revenues, which it managed in part to cover through price increases and cost cuts.

Canon is to seek ways to transfer research and development, as well as production bases, overseas. It also wants to open joint ventures with companies abroad. The company already has research centres in Britain, France, the US and Australia, and manufactures in several countries.

Its only area of revenue growth in the half-year was in computer peripherals. Copiers were slightly lower, but camera sales fell by a quarter.

Net earnings fell 48.1 per cent to ¥11.58bn. For the full year, it is maintaining an earlier forecast of a 0.3 per cent

dip in sales, to ¥1,060bn; pre-tax profits down 50.7 per cent to ¥28bn; and net earnings 48.1 per cent weaker at ¥21bn. The dividend is being held at ¥12.50, of which ¥8.35 is being paid now.

© Cosmo Securities, the financially-troubled Japanese second-tier broker, is to issue 243.75m new shares worth ¥78bn in a third party allotment to Daiwa Bank. Daiwa announced last week it would rescue Cosmo, which last year made an extraordinary loss of ¥69.8bn.

The bank will buy the stocks at ¥320 per share.



De Beers Consolidated Mines Limited  
Incorporated in the Republic of South Africa  
11 Corporate Park Drive, 11th Floor, Sandton, 2000

# De Beers



De Beers Centenary AG  
Incorporated under the laws of Switzerland

EXTRACTS FROM UNAUDITED INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 1993

Attributable to the De Beers/Centenary linked units

## ◆ Improved earnings and lower borrowings

## ◆ Dividends maintained in dollar terms

## PRO FORMA COMBINED INCOME STATEMENT

Year	Half-year		Half-year	Year	
Dec	June		Dec	June	
1992	1993		1992	1993	
Rand millions					
1 850	1 072	1 190	1 171	1 39	211
607	343	383	33	65	103
2 947	182	106	444	473	728
2 043	1 337	1 417	86	130	224
644	384	279	353	325	491
1 413	919	1 128	482	453	757
2 178	1 281	1 536	380	380	380
380	380	380			
Earnings per linked unit:					
372c	242c	296c	93c	86c	129c
573c	337c	404c	127c	119c	199c
Dividends:					
62.0c	28.0c	34.0c	10.3c	10.1c	30.3c
174.0c	41.2c	49.9c	15.0c	15.0c	35.8c
241.0c	69.2c	83.9c	25.2c	25.1c	79.1c
R2.88	R2.83	R3.19	R3.19	R2.83	R2.88

\* June 1992 results have been restated at average exchange rates.

## DIVIDENDS

Both the De Beers Consolidated interim dividend (No. 147) of 34 5/8 cents per linked deferred share and the Centenary Depository dividend distribution (No. 7) of 15 US cents per depositary receipt have been declared payable on Wednesday, 3 November 1993 to linked unit holders registered at the close of business on Friday, 17 September 1993. The registers will be closed from 18 September to 25 September 1993. The full conditions relating to the dividends may be inspected at the offices mentioned below as well as the offices of the transfer secretaries.

## DIAMOND SALES

CSO sales for the first half of 1993 increased to US\$2 343 million or R8 012 million compared with US\$1 787 million or R3 086 million for the corresponding period of 1992, and US\$1 830 million or R4 666 million for the second half of that year. At the time of the release of those sales attention was drawn to certain specific factors contributing to the increase.

Because of the anticipated growth in CSO sales for 1993 the producers' delivery entitlements, which had been increased from 75 per cent to 80 per cent in May 1993, were further increased to 85 per cent in July.

Copies of the interim reports and dividend notices will be posted to linked unit holders on or about 12 August 1993 and will also be available from the following offices:

De Beers Consolidated Mines Limited  
11 Corporate Park Drive  
Sandton, 2000  
South Africa

De Beers Centenary AG  
Langstrasse 27  
CH-1000 Lucerne 14  
Switzerland

Anglo American Corporation  
of South Africa Limited  
19 Charlotte Square  
London EC1N 4QJ England

## NOTICE OF REDEMPTION

IBM Credit Corporation  
8% Dual Currency Notes due September 10, 1995  
Issue Amount: \$25,000,000,000

NOTICE IS HEREBY GIVEN that pursuant to the Condition 6 of the Notes, IBM Credit Corporation has elected to redeem on September 10, 1993 (the "Redemption Date") all the Notes at a redemption amount of U.S.\$4,785 per Note together with interest in yen accrued to the Redemption Date. Interest upon the Notes will cease to accrue on and after the Redemption Date.

Repayment of principal will be made upon presentation and surrender of the Notes, together with all appurtenant coupons maturing on and subsequent to the Redemption Date, at the offices of any one of the Fiscal Agent or other Paying Agents specified below.

## FISCAL AND PAYING AGENT

The Industrial Bank of Japan, Limited  
3-3 Marunouchi 1-chome  
Chiyoda-ku, Tokyo 100 Japan

## PAYING AGENTS

The Chase Manhattan Bank N.A.  
London Branch  
Woolgate House, Coleman Street  
London EC2P 2HD  
England

Crédit Lyonnais Belgium S.A.  
(Formerly Banque de Commerce S.A.)  
Avenue Marix 17  
1050 Brussels  
Belgium

Credit Lyonnais Bank Nederland N.V.  
(Formerly Nederlandse Credietbank N.V.)  
Nachtwachlaan 20, 1058 EA  
Amsterdam  
The Netherlands

Chase Manhattan Bank (Switzerland)  
Genèvestrasse 24  
Postfach 182  
8027 Zurich  
Switzerland

Chase Manhattan Bank Luxembourg S.A.  
5 rue Plerin; L-2338  
Luxembourg

Berliner Handels-und Frankfurter Bank  
10 Bockenheimer Landstrasse  
6000 Frankfurt am Main 1  
Germany

Banque Générale du Luxembourg S.A.  
27 Avenue Montigny  
Luxembourg

Société Générale  
29 Boulevard Haussmann  
Paris 75008  
France

By: The Industrial Bank of Japan, Limited, the Fiscal and Paying Agent

August 11, 1993

MMFCA  
U.S. \$100,000,000  
Secured Floating Rate Notes due 2004  
Interest Rate: 3.00% (3.00% + 0.00%)  
Maturity Date: August 15, 1994  
Interest Payment: Semi-annual  
First Interest Payment: August 15, 1994  
Second Interest Payment: February 15, 1995  
Third Interest Payment: August 15, 1995  
Fourth Interest Payment: February 15, 1996  
Fifth Interest Payment: August 15, 1996  
Sixth Interest Payment: February 15, 1997  
Seventh Interest Payment: August 15, 1997  
Eighth Interest Payment: February 15, 1998  
Ninth Interest Payment: August 15, 1998  
Tenth Interest Payment: February 15, 1999  
Eleventh Interest Payment: August 15, 1999  
Twelfth Interest Payment: February 15, 2000  
Thirteenth Interest Payment: August 15, 2000  
Fourteenth Interest Payment: February 15, 2001  
Fifteenth Interest Payment: August 15, 2001  
Sixteenth Interest Payment: February 15, 2002  
Seventeenth Interest Payment: August 15, 2002  
Eighteenth Interest Payment: February 15, 2003  
Nineteenth Interest Payment: August 15, 2003  
Twentieth Interest Payment: February 15, 2004  
By: Citibank N.A., Secured Servicer, Agent Bank  
August 11, 1993, London

\$200,000,000  
MFC Finance No. 1 PLC  
Mortgage Backed Floating Rate Notes Due October 2023  
In accordance with the Terms and Conditions of the Notes, notice is hereby given that the new interest rates and periods in respect of the subject Notes are as follows:  
Interest Rate: 3.00% (3.00% + 0.00%)  
Maturity Date: October 15, 2023  
Interest Payment: Semi-annual  
First Interest Payment: October 15, 1993  
Second Interest Payment: April 15, 1994  
Third Interest Payment: October 15, 1994  
Fourth Interest Payment: April 15, 1995  
Fifth Interest Payment: October 15, 1995  
Sixth Interest Payment: April 15, 1996  
Seventh Interest Payment: October 15, 1996  
Eighth Interest Payment: April 15, 1997  
Ninth Interest Payment: October 15, 1997  
Tenth Interest Payment: April 15, 1998  
Eleventh Interest Payment: October 15, 1998  
Twelfth Interest Payment: April 15, 1999  
Thirteenth Interest Payment: October 15, 1999  
Fourteenth Interest Payment: April 15, 2000  
Fifteenth Interest Payment: October 15, 2000  
Sixteenth Interest Payment: April 15, 2001  
Seventeenth Interest Payment: October 15, 2001  
Eighteenth Interest Payment: April 15, 2002  
Nineteenth Interest Payment: October 15, 2002  
Twentieth Interest Payment: April 15, 2003  
Twenty-first Interest Payment: October 15, 2003  
Twenty-second Interest Payment: April 15, 2004  
Twenty-third Interest Payment: October 15, 2004  
Twenty-fourth Interest Payment: April 15, 2005  
Twenty-fifth Interest Payment: October 15, 2005  
Twenty-sixth Interest Payment: April 15, 2006  
Twenty-seventh Interest Payment: October 15, 2006  
Twenty-eighth Interest Payment: April 15, 2007  
Twenty-ninth Interest Payment: October 15, 2007  
Thirtieth Interest Payment: April 15, 2008  
By: Citibank N.A., Secured Servicer, Agent Bank  
August 11, 1993, London

هكذا من الاصل



## DnB may be privatised again as profits return

By Karen Fosell in Oslo

DEN NORSKE Bank, Norway's biggest bank, yesterday announced a return to profit and said preparations for privatisation could commence this autumn.

DnB achieved a first-half net profit of Nkr204m (\$27.72m) against a net loss of Nkr1.16m last year due to improved net interest income, strong gains on securities due to a sharp decline in domestic interest rates and improved efficiency.

Mr Ole Lund, chairman, stressed the bank must achieve stable profits from "basic banking" operations before a programme for a gradual return to private hands could be com-

pleted by early next spring. The timetable would be influenced by the third-quarter performance.

Following a six-year banking crisis in the Nordic region, DnB's ended up with a 70 per cent stake acquired in return for numerous cash bail-outs.

Last April, the bank received a state cash injection of Nkr1.5bn in preference capital. DnB was also granted a state guarantee of Nkr600m which, Mr Lund said, it would not have to call on.

Net interest income rose by Nkr206m to Nkr2.64m. Other operating income - gains on shares, foreign exchange, and other financial instruments - shot up by Nkr780m to Nkr1.87bn as operating

expenses contracted by Nkr172m to Nkr2.35bn achieved by nearly five years of wide cost cutting.

Mr Finn Hvistendahl, president, said he knew of no other large bank which could point to similar cost effectiveness. However, the bank is still saddled with credit losses which, at Nkr2bn in the first six months of this year, remained unchanged from last year.

Net non-performing loans increased to Nkr2.12bn at end-June from Nkr1.6bn at end-1992 due to a reclassification of "doubtful" loans to non-performers.

Mr Hvistendahl said the low rates made it easier for the bank to bear the burden of problem loans.

## Swedish bank moves back into the black

By Christopher Brown-Humes in Stockholm

NORDBANKEN, the Swedish state-owned bank, said falling interest rates and rationalisation helped it achieve a SKr1.7bn (\$211m) profit in the first six months of the year. In the same 1992 period it suffered a SKr5.2bn loss.

The figures are not strictly comparable as the bank's position has been strengthened following a reconstruction at the start of the year when SKr50bn of problem loans were transferred to a separate state entity called Securum.

This cut the number of the bank's non-performing loans to a quarter of its previous level and created the conditions for a strong recovery in profitability.

Operating profit before credit losses rose to SKr1.52bn in the first half from SKr1.39bn, reflecting an increase in net interest earnings and lower costs.

Credit losses dropped sharply to SKr2.78bn from SKr4.61bn. Just over SKr1bn of these losses were related to the transfer of assets and reserves to Securum.

The bank said non-performing loans fell to SKr1.4bn at the end of June compared with SKr11.1bn at the start of the year (excluding Securum). It added that its pro-forma capital adequacy ratio increased from 8.9 per cent to 10.0 per cent over the same period.

Nordbanken said its full-year result would exceed the half-year level, although it warned that second-half profits would not be as large as in the first six months. Last year, the bank suffered a SKr16.0bn operating loss, the biggest deficit ever disclosed by a Swedish bank.

"The outlook seems good for even lower interest rates, which is good both for customers borrowing from the bank and for the bank's investment activities," Nordbanken stated.

The government eventually intends to return Nordbanken to the private sector, although it has not set a timetable for the move.

## Eni sees recovery from 'difficult year'

By Haig Simonian in Milan

ENI, the Italian state energy and chemicals company due to be partly privatised, is likely to report a group loss this year after losing L1.51bn (\$523m) in 1992.

However, in a letter accompanying its 1992 accounts, Mr Luigi Meanti, chairman, suggests it may return to the black in 1993, partly because of privatisation receipts.

Results for the first quarter suggest 1993 will be "another difficult year", according to the letter. Margins in the energy business have been eroded by

the weak oil price, while chemicals are still overshadowed by the recession.

Problems at the EniChem chemicals subsidiary, which lost L1.560bn in 1992, were largely responsible for last year's Eni group losses, which compared with net profits of L1.01bn in 1991. Poor performance in chemicals wiped out earnings at Eni's profitable Agip and Snam oil and gas subsidiaries.

Mr Meanti said other parts of Eni's activities were likely to do better this year, with higher earnings in engineering and services and some improve-

ment in the loss-making metals and mining division.

This year's results will also be overshadowed by heavy restructuring costs linked to the group's concentration on its core businesses, and sales of non-strategic operations.

The group has already announced a string of asset sales, the biggest of which is the Nuovo Pignone turbines and compressors subsidiary. Other disposals, mainly of relatively small business units, are expected to raise about L2,700bn for EniChem by the end of 1994 and about L1,000bn for the Agip Petrol subsidiary.

Eni, which has been severely implicated in Italy's political corruption scandal, is also trying to ascertain the size of kickbacks and other off-balance sheet payments.

● Banca Commerciale Italiana, one of Italy's biggest banks, said Mr Vincenzo Palladino, its deputy chairman, had resigned.

Mr Palladino, a prominent Milan lawyer, was arrested last month in connection with allegations of corruption regarding the former Enimont chemicals joint venture between Eni and the private-sector Montedison group.

## Dell Computer posts first loss

By Louise Kehoe in San Francisco

DELL Computer, the personal computer manufacturer, reported its first quarterly losses after charges of \$71m to cover restructuring, inventory write-offs and other adjustments for delayed and cancelled products.

Losses for the quarter were \$75.7m, or \$2.03 a share, compared with net income of \$21.5m, or 57 cents, in the same period last year. Revenues rose to \$701m from \$658m.

Dell, until now one of the fastest-growing companies in

the computer industry, had previously acknowledged problems with the development of notebook computer products and announced plans for restructuring charges. The company had projected net losses of \$1.85 to \$2.85 a share for the second quarter.

Other factors contributing to the second-quarter loss included a "significant sell-off of excess inventory at substantial (profit) margins," the company said, as well as a higher than expected product backlog at the end of the quarter.

The company had previously

announced that if a loss were posted for the quarter, it could be in default of conditions on its revolving credit facility. Those conditions have been restructured, the company said yesterday.

"We expect to return to profitability in the third quarter," Mr Michael Dell, chief executive, said.

For the first half, Dell reported revenues of \$1.37bn, up from \$924m in the same period last year.

Net losses were \$65.5m, or \$1.76 a share, compared with net income of \$41.7m, or \$1.06.

## Freeze on Gucci stake is lifted

A NEW YORK judge has lifted the temporary freeze on the stake of one of the two partners in Gucci, the Italian luxury goods group, writes Haig Simonian. The judge removed the block on the 50 per cent stake owned by Mr Maurizio Gucci, grandson of the group's founder, requested last month by Investcorp, the Bahrain-based merchant bank which owns the remaining shares.

Investcorp had sought the freeze pending the resolution of an arbitration case it had brought against Mr Gucci.

## Overseas operations help boost Hunter Douglas

By Ronald van de Krol in Amsterdam

HUNTER DOUGLAS, the Dutch maker of venetian blinds, said better results in North America and Australia more than compensated for a downturn in continental Europe during the 1993 first half. The company was able to raise net profits 18 per cent to Fl 28.8m (\$13.5m).

Improvements in Australia and New Zealand reflect lower costs due to recent restructuring, while North American

operations were aided by last year's rationalisation, plus a strengthening of the economy.

Hunter Douglas, which also produces architectural products such as roof systems, said it was cautiously optimistic about the rest of the year, due partly to the rise in the US dollar. The company has reported lower annual results since 1990.

It blamed a 1.1 per cent fall in sales in the first half, to Fl 449m, on currency movements.

### THE PAKISTAN FUND

(An exempted company incorporated in the Cayman Islands with limited liability)

#### 1993 FINAL RESULTS

(Audited)

##### CHAIRMAN'S STATEMENT

Over the year 1st July 1993 to 30th June 1994, the net asset value of The Pakistan Fund stood at \$1.25 to US\$1.03 per share whereas the Karachi Stock Exchange Index fell 18.2% in Rupee terms and 24.3% in US dollar terms. A sharp decline from mid 1992 in the cotton textile sector, in which the Fund had been overvalued, was the principal reason for the Fund's under-performance. However, the cotton textile weighting has now been reduced as have those for the Pakistan, Insurance and Banking sectors in a portfolio re-balancing effort.

During the last fiscal year, the Pakistan Rupee depreciated 6.1% against the US dollar and to assist Pakistan's export competitiveness has weakened even further against the US dollar.

Political crises during this year culminated in a compromise in July whereby Prime Minister Nawaz Sharif agreed to step down, President Ghulam Ishaq Khan resigned and fresh elections are to be held in October. Mr Wasim Sajid the former Senate Chairman was appointed as acting President and new constituent governments have been formed at Federal and provincial levels.

While the stockmarket has been encouraged by the recent political events, the outlook will remain clouded until after the October elections. In the meantime, the management of the portfolio will continue.

M.S. Wells  
Chairman  
17th August 1993

Financial Highlights	30th June 1993	30th June 1992
Net Asset Value	0.86	0.86
Net Asset Value per share	23.71/97	33.09/54
Net Asset Value per share on a fully diluted basis	9.03	7.51
Revenue Account		
For the year ended 30th June 1993	21/3/1991	30/6/1992
	0.06	0.06
Income		
Dividend	250,283	588,894
Interest on deposits	252,212	860,090
Less: withholding tax	41,516	97,444
Expenses	729,290	861,185
Net loss for year	317,594	92,539
Loss per share	0.11	0.05

The Board of Directors does not recommend the payment of a final dividend.

**DIRECTORS' INTERESTS**  
As at 30th June 1993, none of the Directors had an interest, either beneficially or otherwise, in the share capital or securities of the Company.

By order of the Board  
MessrsPenson (Cayman) Limited  
Secretary

A copy of the annual report and any further information is available from the Assistant Secretary, MessrsPenson Management (Asia) Limited, 27th Floor, Alexandra House, 16-20 Chatter Road, Central, Hong Kong.  
Contact: Mr R.G. Macpherson on 8479911.

##### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of The Pakistan Fund (the "Company") will be held at Cayman Galleries, Harbour Drive, George Town, Grand Cayman, Cayman Islands, British West Indies on 25th October 1993 at 10 o'clock when the following ordinary business will be transacted:

- To receive and consider the financial statements of the Company and the reports of the Directors and the Auditors for the period ended 30th June 1993.
- To resolve that no final dividend be declared.
- To elect Messrs Mawhood and Gray as Directors.
- To appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration.
- To transact any other business which may be properly transacted at an annual general meeting.

By order of the Board  
MessrsPenson (Cayman) Limited  
Secretary

Date: 17th August 1993  
Registered office: Cayman Galleries, Harbour Drive, George Town, Grand Cayman, Cayman Islands, British West Indies

- Notes:
- (1) Proxy forms may be deposited at MessrsPenson (Cayman) Limited, Cayman Galleries, Harbour Drive, George Town, Grand Cayman, Cayman Islands, British West Indies, no later than the time specified above for the holding of the meeting.
  - (2) Persons need not be members of the Company.
  - (3) No Director of the Company has a contract of service with the Company.

### GOLD FIELDS

OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)  
(Registration No. 05/04187/06)

#### PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 30 June 1993	Year ended 30 June 1992
Revenue	Rm	Rm
Income from investments	282	289
Profit on realisation of investments	37	1
Income from fees, interest and other sources	153	215
Expenditure	171	163
Administration, technical and general	112	105
Drilling and prospecting	19	42
Amounts written off investments	6	4
Profit before tax	321	342
Tax	18	27
Profit attributable to Group Preference dividends	303	315
Profits attributable to ordinary shares	280	302
Extraordinary item	(9)	1
Unappropriated profit, brought forward	5	4
	282	307
Less:	257	302
Dividends declared	193	192
Interim 70c (70c)	67	67
Final 130c (130c)	126	125
Transfer to reserves	84	110
Unappropriated profit, carried forward	5	5
Earnings per ordinary share - cents	301	314
Dividends per ordinary share - cents	200	200
Times ordinary dividends covered	1.5	1.6
Net assets (as valued)	13 082	9 088
per ordinary share - cents		

#### DECLARATION OF FINAL DIVIDEND

Dividend No. 91 of 130 cents per ordinary share in respect of the year ended 30 June 1993 has been declared in South African currency, payable to members registered at the close of business on 3 September 1993.

Warrants payable on 22 September 1993 will be posted on 21 September 1993.

Standard conditions relating to the payment of dividends are obtainable at the share transfer offices and the London Office of the Company.

The register of members will be closed from 4 to 10 September 1993, inclusive.

By order of the board  
per pro GOLD FIELDS CORPORATE SERVICES LIMITED  
London Secretaries  
S.J. Dunning, Secretary

Registered and Head Office:  
75 Fox Street  
Johannesburg  
2001

London Office:  
Greenwood House  
Francis Street  
London  
SW1P 1DH

United Kingdom Registrar:  
Barclays Registrars  
Bourne House  
34 Beckenhurst Road  
Beckenham  
Kent BR3 3TU

17 August 1993

### Notice of Redemption

Manufacturers National Corporation

Subordinated Floating Rate Notes due September 1996

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal and Paying Agency Agreement (the "Agreement") dated as of September 15, 1985 between Manufacturers National Corporation (the "Issuer") and The Chase Manhattan Bank (National Association), as Fiscal Agent, the Issuer has elected to redeem all of its outstanding Subordinated Floating Rate Notes due September 1996 (the "Notes") on September 30, 1993 (the "Redemption Date") at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price") plus interest accrued thereon to the Redemption Date.

On the Redemption Date, the Redemption Price will become due and payable upon each Note to be redeemed and on and after said date the sole right of a holder of a Note shall be to receive the Redemption Price plus accrued interest to the Redemption Date.

Payment of the Redemption Price of Notes will be made on and after the Redemption Date upon presentation and surrender of the Notes to be redeemed, together with all appurtenant coupons maturing subsequent to the Redemption Date, at the offices of any of the following Paying Agents:

The Chase Manhattan Bank, N.A.  
London Branch  
Woolgate House, Coleman Street  
London EC2P 2HD, England  
Banque Bruxelles Lambert  
Avenue Marois, 24  
B-1050 Brussels  
Belgium

Coupons maturing on September 30, 1993 should be detached and surrendered for payment in the usual manner.

Comerica Incorporated as successor to Manufacturers National Corporation

By: The Chase Manhattan Bank, N.A.  
as Fiscal Agent  
August 18, 1993

August 18, 1993  
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

Shawmut Corporation

U.S. \$50,000,000

Floating Rate Subordinated Notes

Due 1997

Notice is hereby given that the Rate of Interest has been fixed at 5% and that the interest payable on the relevant Interest Payment Date, August 18, 1993 in respect of US\$10,000 nominal of the Notes will be US\$127.78

August 18, 1993  
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

August 18, 1993

U.S. \$100,000,000

FLOATING RATE DEPOSITARY RECEIPTS DUE 1997

Issued by The Law Debenture Trust Corporation plc evidencing entitlement to payment of principal and interest on deposits with

BNP

Banca Nazionale del Lavoro

(Incorporated in the Italian Republic of Italy)

London Branch

Notice is hereby given that the Rate of Interest for Coupon No. 33 has been fixed at 3.5% pa and that the interest payable on the relevant Interest Payment Date, August 18, 1993 in respect of US\$10,000 nominal of the Receipts will be US\$89.44 and in respect of US\$250,000 nominal of the Receipts will be US\$226.11.

August 18, 1993, London  
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

### THORN EMI Capital N.V.

(the "Issuer")

5% per cent. Guaranteed Redeemable Convertible Preference Shares 2004 (the "Preference Shares") guaranteed on a subordinated basis by, and convertible into Ordinary Shares of, THORN EMI plc (the "Guarantor")

#### Notice of Revocation of Guarantee

The Guarantor hereby gives notice to the holders of the Preference Shares that, in accordance with paragraph 7(b)(ii)(A) of the terms and conditions of the Preference Shares, it is revoking its guarantee in respect of the Preference Shares, such revocation to be effective on 1st November 1993.

Accordingly, the Redemption Date of the Preference Shares is 17th September, 1993, and the Preference Shares will be redeemed at their paid-up value of £5,000 together with a premium of one per cent, and the dividend accrued but unpaid to, but excluding, the Redemption Date.

Consequently, on 17th September, 1993, there will become due and payable in respect of the redemption of each outstanding Preference Share, on presentation of the Preference Share Certificate relating thereto (together with all unremitted coupons), an amount of US\$5.94 at the office of the Principal Paying Agent and Conversion Agent, S. G. Warburg & Co. Ltd., Paying Agency, 2 Finsbury Avenue, London EC2M 2PA or at the office of one of the other Paying and Conversion Agents named on the Preference Share Certificate.

Each Preference Share Certificate must be presented together with all unremitted coupons, filing which the dividend (including any special dividend) payable in respect of any such Preference Share coupon will be deducted from the amount due for payment.

Any holder of a Preference Share who has failed to claim distributions or other property or rights within 12 years of their having been made available to him will not thereafter be able to claim such distributions or other property or rights, which shall be forfeited and shall revert to the Issuer. Coupons shall become void unless presented for payment within the period of six years from the due date for payment thereof.

Notwithstanding the foregoing, holders of Preference Shares are entitled to exercise their right to convert the Preference Shares into Ordinary Shares of the Guarantor at any time up to and including 10th September 1993, in accordance with the terms and conditions of the Preference Shares. Application has been made for the Ordinary Shares of THORN EMI plc arising on conversion to be admitted to the Official List. Based on the closing middle market quotation of an Ordinary Share of THORN EMI plc as derived from the London Stock Exchange Daily Official List of 23rd on 10th August, 1993, the value of the Ordinary Shares arising on conversion of one Preference Share is £6,519.32 compared with the amount of £5,085.94 payable on redemption.

Holders of Preference Shares should note that, in accordance with Clause 8(c) of the Deed Poll of THORN EMI plc dated 2nd February, 1989, Ordinary Shares allotted on conversion of the Preference Shares will not rank for any dividend or other distribution announced, declared, recommended or resolved upon prior to the Conversion Date to be paid or made, at the record date thereafter is prior to the Conversion Date.

August 18, 1993, London  
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

August 18, 1993

U.S. \$250,000,000

Floating Rate Subordinated Capital Notes due August 1996

CITICORP

Notice is hereby given that the Interest payable on the relevant Interest Payment Date, August 23, 1993 for the period May 14, 1993 to August 14, 1993 against Coupon No. 36 in respect of U.S. \$50,000 nominal of the Notes will be U.S. \$670.84

August 18, 1993, London  
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

August 18, 1993







Results from two motor distributors illustrate industry recovery

## Evans Halshaw jumps to £3.7m

By Paul Cheswright,  
Midlands Correspondent

EVANS HALSHAW, the West Midlands-based motor dealer group, is seeking significant acquisitions as its trading performance improves sharply.

Pre-tax profits for the six months to June 30 were £3.7m, compared with £1.5m on turnover of £189.1m (£169.2m). Earnings per share were 11.3p (4.6p). The interim dividend goes up to 3.8p (3.6p).

Although the rise in profits was higher than market estimates, it emphasised a growing trend in the motor dealing sector. Rival groups Lex and Cowie have both recently announced improved results.

Mr Geoff Dale, chairman, was confident that improved trading would continue. August, the new registration month, is "very positive" with group sales 15 per cent higher than the same month of 1992 and the market, he said, "is more consistent now, not just in car sales but across the business." Overall car sales have

been 20 per cent higher than last year.

During recession, the group continued to invest, in, for example, motor villages where several franchises are grouped together, while, at the same time, bearing down on costs, helping it move into recovery with a lower cost base.

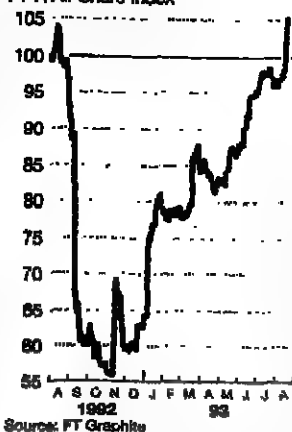
Organic growth would continue, Mr Dale promised, while we step up our search for the right major acquisitions. Potential purchases will be judged against three criteria.

They will have to fit into the geographical pattern of the group's business; they will have to hold franchises which fit the existing blend - not being dependent on any one car maker; and they will be quality businesses with a local reputation and adequate showroom and technical facilities.

Evans Halshaw is one of the six largest UK motor dealing groups, but is probably only half the size of Lex, which itself has been expanding with the purchase of Arlington and

### Evans Halshaw

Share price relative to the FT-A All-Share Index



Source: FT Graphite

Lucas Autocentres. Cowie too has made a recent acquisition.

With the larger motor trade groups in expansive frame of mind, Mr Dale sees the industry becoming less fragmented. Given that the car makers also have substantial interests at the retail end of the market, he

opened up the possibility of the smaller and medium-sized companies being squeezed between them and the acquisitive larger groups.

The rise in car sales - new model sales will probably finish 10 per cent higher in 1993 than in 1992 - can have a quick effect on the financial position of companies in the trade. Servicing and parts sales make up the base of their business - 74 per cent of Evans Halshaw's mix last year but 62 per cent so far this year as car sales rise. The new and used car trade is the jam on the bread and butter.

But the jam is not being evenly spread. This is clear from Evans Halshaw's business which is spread over 42 dealerships and 17 marquees.

Dealerships south of the M4 motorway are finding trading the most difficult. The Ford franchises are doing less well than the Rover, Vauxhall and Peugeot franchises. With the exception of Jaguar, the luxury end of the car market remains sluggish.

## Continued progress lifts Epwin to £1.75m

By Peter Pearce

EPWIN Group, the maker of PVC-u windows and doors, continued its recent progress with a 34 per cent advance in pre-tax profits to £1.75m in the six months to June 30.

The rise from £1.31m was struck on turnover up 20 per cent at £24.7m (£20.5m). With the exception of the commercial sector, which serves local authorities and the Property Services Agency, volume increases were gained in all the group's other UK markets.

Mr John Townsend, finance director, said that "the mix was essential" to the group's success, which "tracked back to the Telford extrusion plant" which has absorbed some two thirds of the £9.9m capital expenditure programme instigated in March 1992.

"When the volume comes through, you get a return on capital," he said.

Mr Jim Rawson, chairman, said that Epwin had expected a poor winter, partly because of the general economic climate and partly because of the seasonal nature of the group's business.

So the group mothballed the South Wales factory in December with the loss of about 100 jobs.

However, the anticipated decline did not materialise in November, December or subsequently, and the factory was reopened, though with some savings on the wages front.

Mr Rawson said that the pick-up in the market now stretched to eight months and that the group had continued to gain market share.

He added that there was "some level of returning confidence by home owners and their willingness to invest in property improvement".

Earnings per share expanded 14 per cent, from 5p to 5.7p, and the interim dividend is lifted to 2.3p, an increase of 10 per cent on last time's 2.1p.

At the period-end, there were no external borrowings.

## Two banks to advise on Brent Walker disposal



Brent Walker is keen to maintain a significant stake in the William Hill betting shop chain

By Maggie Urry

BRENT WALKER, the property and leisure group, yesterday announced the appointment of two merchant banks to advise it on the possible flotation of William Hill, which might value the betting shop chain at over £500m.

The banks are Hill Samuel, which is Brent Walker's existing adviser, and NM Rothschild. William Hill has to repay a £350m loan by March 1 1994, and a flotation is one way of raising the money. Brent Walker has received a cash bid of £380m for William Hill from a

consortium of investors, led by SG Warburg. However, Brent Walker is keen to retain a stake in William Hill and had talked of maintaining a 40 per cent shareholding. Bankers believe it would not be possible for Brent Walker to keep more than a small interest or "the sums don't work out," one said. Potential investors are likely to want to see William Hill managed independently from Brent Walker and financially viable on a stand-alone basis.

Brent Walker bought William Hill for £680m in 1989 from Grand Metropolitan but is trying to reclaim £200m of the purchase price.

## Fife Indmar £0.4m back in black

By John Murrell

FIFE INDMAR, the Edinburgh-based engineer, yesterday reported a swing from losses of £238,000 to profits of £424,000 pre-tax for the half year to June 30.

The interim dividend is lifted by 0.35p to 0.75p from earnings of 2.7p (losses 1.53p). The shares responded with a 10p rise to 60p.

Referring to the final divi-

dend, which was passed last time, Mr Gavin Hepburn, chairman, said the company was expecting to pay a final but that this depended on the results for the second six months.

He said the positive profit swing of £660,000 was achieved on turnover down 10 per cent at £15.1m. He added that prospects for the remainder of the year "remained encouraging for all four divisions."

There was a continued good performance in the distribution division with profit "considerably ahead of the previous year." Sluggish demand, particularly from the Ministry of Defence, held back electro-mechanical products but the division returned to profit in the opening period.

Engineering achieved break-even and losses in the catering equipment operations were substantially reduced.

## Quicks ahead despite patchy sales

By David Blackwell

QUICKS, the Manchester-based motor distributor which returned to the black last year, continued its recovery with a 24 per cent rise in pre-tax profits for the first half of 1993.

They came to £1.38m, against £1.11m. Profits for the whole of 1992 were £2.06m following losses of £302,000 previously.

Mr Alec Murray, chief executive, said that car sales for the first half had been fairly patchy. Margins were down and it was difficult to make money on new cars.

But sales for August, the trade's busiest month, were running 10 per cent ahead of his expectations so far. The second half would be "far better than the 1992 second half, which was nothing short of disastrous."

Mr Murray expected used car sales to be 20 per cent ahead year on year, while the after sales business, which accounted for 76 per cent of profits, was doing well.

The overall market for commercial vehicles remained sluggish, but the trading position of the Iveco Ford and Leyland Daf dealerships was encouraging.

Midland dealerships again improved their profit performance. The group had been awarded its first Japanese franchises.

Turnover fell from £96.4m to £88.5m. Last month the group bought Leyland for £8.15m; it has five Ford dealerships in Scotland, Kent and Essex and was expected to increase group turnover by 50 per cent.

Earnings per share were increased to 5.2p (4.4p) and the interim dividend is 2p (1.75p). Analysts suggested yesterday that the group had suffered from its traditional overdependence on Ford, which had lost market share. But management had introduced cost controls and rigorous management systems, and the purchase of Leyland fitted in well with the existing business. One described the company as "conservative, well-managed, but not particularly exciting," with a share price still reasonably cheap compared with others in the sector.

With operating profit at £1.67m (£1.83m), net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

### Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

### NEWS DIGEST

with operating profit at £1.67m (£1.83m). Net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

with operating profit at £1.67m (£1.83m). Net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

with operating profit at £1.67m (£1.83m). Net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

with operating profit at £1.67m (£1.83m). Net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

with operating profit at £1.67m (£1.83m). Net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

with operating profit at £1.67m (£1.83m). Net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

with operating profit at £1.67m (£1.83m). Net interest charges dropped to £1.6m (£1.73m). Earnings per share came to 0.057p (losses 0.049p).

It is planned to reorganise the capital. Preference dividends are in arrears totalling £292,000.

Burmine seeks £3.45m via placing

Europa Minerals, the UK mining finance house which is in merger talks with Burmine - the Australian gold mining company in which it has a 38.5 per cent stake - has announced that Burmine is to raise £3.45m with a placement of 1.5m fully paid ordinary 50 cent shares with Australian and UK financial institutions.

The placement has been made at a share price of A\$2.30 (107p).

The money will be used to fund exploration drilling and development at the company's Copperhead, Golden Pig and Fraser mines in Western Australia and to provide additional working capital.

As a result of the placement

### NOTICE TO HOLDERS OF

Trans-Western

Exploration Finance N.V.

8.75%

Convertible Subordinated

Guaranteed Notes

Due April 1, 1996 and

9.00%

Convertible Subordinated

Guaranteed Debentures

Due March 1, 1997

NOTICE IS HEREBY GIVEN to

the holders of the above-referenced

Notes and Debentures issued by

Trans-Western Exploration Finance

N.V., guaranteed by Trans-Western

Exploration, Inc., that the Trustee

has received \$48,864.20 as a final

distribution for Class 8 claims under

the joint plan of reorganization of

Trans-Western Exploration, Inc. and

Trans-Western Production, Inc. in

their bankruptcy proceeding in

United States Bankruptcy Court for

the Northern District of Texas, Dallas

Division, Case Nos. 88-31045-F-11

and 88-32306-F-11. The full

amount of such distribution has been

applied by the Trustee to pay its

outstanding fees and expenses, in-

cluding reasonable attorney's fees

and expenses, in connection with

the notes and debentures which ex-

ceeded the amount of such distribu-

tion. The indentures for both the

notes and the debentures provide

that any monies collected by the

Trustee shall first be applied to pay

all fees and expenses owed to the

Trustee under the indentures prior

to the payment of any amounts to

the holders and that the Trustee has

a lien on such funds prior to the

holders to secure payments of

amounts owed to it. Accordingly,

no funds are available from such

distribution to make any payments

to the holders of the notes or the

debentures.

NationsBank of Texas, N.A.

Trustee

(Successor Trustee to

First National Bank in Dallas)

Publication Date: August 18, 1993

### YORKSHIRE BUILDING SOCIETY

£165,000,000

Floating Rate Notes

Due 1994

(Comprising £200,000,000 Floating Rate

Notes due 1994 issued on 10th February

1993 and a further £65,000,000 Floating

Rate Notes due 1994 issued on 10th June

1993 consolidated and forming a single

series (hereinafter referred to as the "Notes")

In accordance with the terms and

conditions of the Notes, notice is

hereby given that for the three month

interest period from (and including)

17th August 1993 to (but excluding)

17th November 1993 the Notes will

carry an interest rate of 0.01025 per

cent, per annum. The relevant interest

payment date will be 17th November

1993. The coupon amount per £100,000

Note will be £256.95 payable against

surrender of Coupon No. 19.

Hambros Bank Limited

Agent Bank

### Wells Fargo & Company

US\$200,000,000

Floating rate subordinated

capital notes due 1998

In accordance with the

provisions of the notes, notice

is hereby given that for the

interest period 18 August 1993

to 18 November 1993 the Notes



# An acquisition with logic

### Andrew Jack and John Gapper on Sedgwick's purchase of Noble Lowndes

**Zantac's position as the world's best-selling drug is under threat from the expiry of its patents and a patent law suit in the US.**

Launched in March 1980, omeprazole had world sales of \$163m in the six months to end-December 1992. Although sales are growing quickly, the drug is facing competition from SmithKline Beecham's Zyltrel and Naxaban, from Sandoz of Switzerland.

Post-operative doses are much lower than for post-chemotherapy. A typical dose of 4mg will cost \$17.29 in the US. Chemotherapy doses are between 8mg and 32mg and cost proportionally more.

**S** EDGWICK GROUP was quick yesterday to defend the proposed acquisition of Noble Lowndes as a "pure" employee benefits consultancy, from TSB Group on both price and business logic.

At \$110m, the purchase is priced at more than three times the company's net assets of \$35m, and more than three times its 1992 pre-tax profits of \$11.5m in the year to October 31 1992.

But Mr Stuart Tarrant, Sedgwick group finance director, preferred to stress that the acquisition is for less than the company's turnover during the past year, of \$100m.

Sedgwick argues that Noble Lowndes is an important part of the benefits consulting sector with a strong brand image, which fits in neatly with its own consulting services division.

Last year, the company's employee benefits consultancy reported pre-tax profits of \$8.1m.

**Sax Riley, chief executive of Sedgwick Group**

Soon to come are further legs – the introduction of Leyland trade paints into the £200m French trade paints market (the UK's market is £300m), and the launch of trade centres.

The first will open in Lille at the turn of the year and up to four are planned by the end of 1994.

The specialist products division, recently formed after Kalon bought Mangers in November 1993 and Chelco two months later, made £148,000 on turnover of £2m.

Profits in the exports side fell 40 per cent to £197,000 on £2.40m turnover, though there should be an improvement in the second half.

The Spanish operations reduced their losses and are expected to break even over the year.

The Interin division is lifted 30 per cent to £.39, payable from a 29 per cent rise in earnings per share to 4.46p (3.45p).

### HAVE COMMENT

Coming read ahead in the past five years or so, UK paints activity. Kelco's core business is now slowing down. There has been over-capacity and largely paints in the UK have been over-priced. With this in mind, the group's French move will be more aggressive than that in the UK and in February is another feather in Mr Hennessy's cap. Production efficiencies and lower raw material costs may just be the tip of the iceberg in the French operation's medium-term growth potential. If Mr Hennessy can successfully replicate Kelco's operational formula in France, and the feeling is they can, then Mr Hennessy will again earn himself an enormous pay packet in his now famous triennial bonus scheme. Short term, forecasts for the year remain at £19m pre-tax, giving a multiple of about 17. The price does not fully value the company.

EDWARD

## Hoskins sale discussions may lead to new directors

The discussions are believed to involve the sale of most of the 30 per cent shareholding in the USM-quoted company of Mr Barrie Hoar, the chairman, and his family.

Mr Hoar said the family had decided to sell a majority of its stake "provided we can ensure that new management will be in the best long term interest of all shareholders."

He and his brother Robert fought off an attempt by rebel

Mr. Adam Page, former chairman of Midsummer Leisure whose plan to reverse three theme bar businesses into Hoskins collapsed, said he had reached a verbal agreement to buy the Hoar shareholding. However, he had been informed the following day that the family was negotiating with another party.

In view of the development, the company said Mr Richard Holman, a dissident shareholder, had agreed no further action should be taken for the time being over his request for

## Bucknall recovery under way as deficit is cut to £1.33m

**By Paul Chesswright,  
Midlands Correspondent**

**BUCKNALL GROUP.** the quantity surveying, property and project management company, reduced pre-tax losses by 31 per cent in the year to April 1990.

Mr Richard Miles, chairman, expects "a return to profitability in the not too distant future."

The pre-tax deficit was £1.33m, reduced from £1.92m last time. Losses per share were 10.5p (13p). No dividend is proposed.

The lower losses and the prospect of a return to profit owe more to cost reductions than to demand in the construction and property markets where the group is taking work on margins which, said Mr Miles, "are hovering around the break-even."

Turnover from continuing operations was £16m, fractionally lower than the year before.

The UK accounts for about 75 per cent of the group's business and domestic operations came back into profit during the second half.

Bucknall is trading profitably in Germany, Hong Kong and the Middle East; but cancelled projects forced retrenchment in France and the cost of this was the main factor dragging on finances last year, just as similar experiences in the UK pulled down the previous year's figures.

Behind expectations of a return to profitability is the absence of sizeable restructuring costs in the current year.

"We are confident that the worst is over for the group," Mr Miles said.

## By Andrew Jack

**NOBLE LOWNDES**, the employee benefits agency, is under investigation by the Investment Management and Regulatory Organisation, according to the acquisition document circulated by Sedgwick Group yesterday.

Imro launched a formal investigation in April this year to examine these breaches, to study the effectiveness of compliance systems and controls within the company and to consider the payment of compensation to investors who may have suffered

Mr. Tarrant said TSB had agreed as part of the sale of Noble Lowndes to provide an indemnity against any disciplinary proceedings that result.

**By Andrew Sanger**

**TWO OF** the oldest UK machine tool builders, Asquith and Butler, are being merged into one company by their new owner to create a strong force in one of the most competitive industrial product markets.

Marbaix Lapointe, the machine tool side of Marbaix (Holdings), a family-owned Basingstoke-based concern, has combined the two companies, both based in Halifax, to form Asquith Butler.

The Asquith site will close and the entire company will

The merger is the culmination of a plan by Marbair to broaden its presence in the machine tool industry, after buying in 1987 the Lapointe broaching machine business.

Last year Marbair Lapointe purchased Asquith, founded in 1866 and best known for its vertical machining centres.

Asquith had been subject to a management buy-out in 1981.

Then in February it paid a

nominal amount to the public-ly-quoted B Elliott engineering group for Butler, which would make horizontal machining centres. Butler was founded in 1966 and had been combined by B Elliott with Newall, the Keighley-based blade-grinding business, which was excluded from the sale. Marbax was attracted by the strength of the products and the personnel at Asquith and Butler, but because of the recession both companies were losing money.

"We have put together two

The merger would produce economies of scale and better utilisation of factory equipment.

Asquith Butler will have annual sales of £10m-£11m and about 120 employees - a large company for the machine tool industry. Mr Cain said competition, mainly from Spain and France, was serious, but he believed Asquith Butler would make a profit this year.

Basic net asset value per share of GT Chile Growth Fund stood at \$25.39 (\$30.79 or \$27.54 diluted) at June 30. At August 10 the basic figure had risen to \$26.33.

Net income for the half year to end-June totalled \$6.98m (\$4.98m) compared with \$4.47m.

Basic earnings per share emerged at 58 cents (44 cents) and an interim dividend is 80 cents is declared.

For the period of inception of the company, February 1990, to December 31 1992, a dividend of 26 cents was paid.

[illegible]

	Current payment	Date of payment	Cumulative dividend	Total for year	Total last year
Epstein <i>Int</i>	3.5	Oct 26	2.1	-	6.6
Evaas <i>Holdings</i>	3.5	Oct 16	3.0	-	11.25
Fife <i>Indmar</i>	0.75	Oct 4	0.5	-	5.5
Hamann <i>Int</i>	2.0	Oct 1	2.75	-	2.5
Kelson	1.3	Oct 1	1	-	3.2
Gulick <i>Int</i>	2	Nov 12	1.75	-	4.4
Goldgrist <i>Int</i>	3	Oct 1	3	-	3.5
US Sucker <i>Inv</i>	0.3	Oct 15	0.1	0.3	0.3

Dividends shown pence per share not except where otherwise stated. **A** Third interim; **B** 55p to date.

**Satellite TV Finance**  
reports and analyses  
important developments in  
satellite television  
throughout Europe -  
particularly the direct-to-  
home market.

Published twice-monthly by  
Financial Times  
Newsletters, **Satellite TV  
Finance** has been designed  
to provide industry  
specialists with up-to-date  
news coverage as well as an  
insight into this volatile  
marketplace.

Whatever your involvement  
in the cable, satellite and  
new media industries,  
**Satellite TV Finance** will  
keep you in the picture. We  
believe you will find it an  
indispensable aid to your  
business.

**For further details and a  
FREE sample copy please  
contact:**  
**Caroline Skirrow,**  
**Financial Times Newsletters**  
**126 Jermy St,**  
**London, SW1Y 4UJ, UK.**  
**Tel: +44 (0)71 311 4414.**  
**Fax: +44 (0)71 311 4415.**

**FINANCIAL TIMES**  
LONDON FRIDAY 11 SEPTEMBER 1986  
**NEWSLETTERS**

**NOTICE IS HEREBY GIVEN**, pursuant to the Indenture, dated as of July 30, 1938, between **Dissonco, Inc.** (the "**Company**") and **Citibank, N.A.**, (the "**Trustee**"), that the **Company** has elected to redeem all of its Outstanding Securities on September 15, 1939 (the "**Redemption Date**"), at a Redemption Price of 105% of the principal amount thereof, plus interest thereon from July 30, 1938 to September 15, 1939. Payment of the Redemption Price may be made upon presentation and surrender of the Securities together, in the case of Securities issued in bearer form (the "**Bearer Securities**"), with all interest coupons maturing after July 30, 1939; or the offer of the Redemption Agent to purchase the Securities at such Security Price as the Redemption Price will become payable upon presentation of such Security to be redeemed, and that interest thereon shall cease to accrue on and after said date.

Any Bearer Security surrendered for redemption shall not be accompanied by any attachment coupons maturing after the Redemption Date, the amount of any such missing coupons will be deducted from the Redemption Price otherwise payable.

No payment with respect to any Bearer Security will be made at the Corporate Trust Office of the Company or at the office of the Trustee in the United States or in any other State or by check mailed to an address in the United States or by transfer to an account in the United States.

The Securities may be converted into shares of Common Stock of the Company at their Conversion Price of U.S. \$23 1/8 aggregating principal amount of Securities for each share of Common Stock. The closing price of the Common Stock on the New York Stock Exchange on July 30, 1933 was U.S. \$12 1/8 per share. All rights to convert the Securities into the Common Stock expires as of the close of business on the Redemption

Boarers Debitors:		Registered Debitors:	
<b>Citibank, N.A.</b> Avenue de Tervueren, 248 B-1150 Brussels, Belgium	<b>Citibank, N.A.</b> Citibank House, 398 Strand London WC2R 1JZ, England	<b>Citibank, N.A.</b> Commerce Trust Window 111 Wall Street, 8th Floor New York, NY 10043 United States ("Trustee") (for Registered States only)	
<b>Citibank Corp.</b> (Luxembourg) S.A. 18 Avenue Marie Thérèse Luxembourg	<b>Citibank Corp.</b> (Switzerland) Postfach 28 90022 Zurich, Switzerland		

**As of January 1, 1993, withholding of 31% of gross redemption proceeds and of any interest payment made within the United States may be required by the Internal Revenue Code of 1986, as amended by the Energy Policy Act of 1992, unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 Form or exemption certificate or equivalent when presenting your securities.**

**FINING MORTGAGE NOTES & PLC**  
**£150,000,000**  
**Class A**  
**and**  
**£50,000,000**  
**Class B**  
**Mortgage Secured Floating Rate**  
**Notes due August 2021**

Notice is hereby given that for the Interest Period from August 18, 1983 to November 18, 1983 the Class A Notes and Class B Notes will carry interest rates of 8 1/4% and 8.5575% respectively. The interest payable on the relevant interest payment dates will be £1,000,000 for the Class A Notes and £333,333 for the Class B Notes and for the Class A Notes will be £1,704,285 net £100,000,000 net amount.

By: The Issuing and Paying Bank, B.A. London, Agent (Bank)

August 18, 1983

**COMPAGNIE  
DE SAINT-GOBAIN  
ISSUE OF TITRES  
PARTICIPATIFS**

**ECU 100.000.000 WITH  
WARRANTS**

For the calculation of the coupon maturing on 10th February 1994, the net consolidated profit (share of the Group) taken into account is FF 3.577.672.432. As the TMOOR ECU is 1.762325, the minimum coupon so calculated produces an annual interest rate of 7.4375%. As the applicable TMOOR is 7.50% the coupon calculated produces an annual interest rate of 7.5171%. Therefore the semi-annual coupon payable on 12th February, 1994 will be ECU 43.33 for three participalls of ECU 1.00.





**AS CAREER** moves go, it could hardly have been better timed. In the four years since Hakan Aström joined Sweden's Kabi pharmaceuticals group, he has shinned up the corporate ladder at the same time as the company has gone through a dynamic period of expansion. Sales have grown 10 times since he took the helm.

In 1989 he was worried the company was too small to survive. Today he sits at the top of Europe's eighth largest pharmaceuticals group and one of the world's top 20 - the jewel in the crown of the food and pharmaceuticals group Procordia.

Aström, 46, is nothing if not modest about his success. Of his elevation to the post of chief executive in March 1992, he comments it was a fortuitous reshuffle around him that brought him the top job.

"There was no-one left but me for Kabi Pharmacia," he says. Colleagues say the promotion was merited by his intelligence, in-depth knowledge of pharmaceuticals and capacity for hard work.

His tendency towards self-deprecation is part of a manner that is low-key in conversation. Aström is soft-spoken, unassuming and easy-going. He is not outwardly dynamic, comments a colleague, who adds that he is a far less dominant figure within the company than Hakan Mogren, boss of Sweden's other big pharmaceuticals company, Astra. Part of the reason is that Aström works in the shadow of Jan Ekberg, Procordia chief executive and a former boss of Kabi.

But his manner sits well with a management style that emphasises teamwork and consensus. Management is about getting the "commitment and involvement" of those around you, and not just giving orders, he stresses. "You get the best out of people if they have been involved in the decision-making process and understand why a decision has been taken," he maintains.

Consensus-style management is part of a Swedish tradition and culture. It is a process that extends to the shop-floor through the extensive consultation rights of trade unions.

Aström does not criticise the process of union involvement. "The unions have the same objectives as management, which is to develop a good company. It is a strength, particularly in periods of change, to know that unions are supportive of a given strategy," he notes that in other countries, management often use unions as an excuse for not doing things.

He goes further in suggesting that the management of a big international pharmaceuticals group also needs the direct input of its special-

## EUROMANAGERS TO WATCH

# Rule by consensus

Kabi Pharmacia's chief executive exemplifies the Swedish way, says Christopher Brown-Humes



Hakan Aström: a defender of Swedish management style

ists and researchers. "These groups expect to participate in the life of the company, but they also have a lot of knowledge which has to be brought into the management process," he says.

But he admits that this can be cumbersome and time-consuming.

will reach the right decision. With the Swedish way, you are more likely to have challenges if decisions are not right."

Not everyone is so enthusiastic. As one foreign observer says: "Swedes don't like to take decisions individually, which can mean they

**"It is a strength, particularly in periods of change, to know that unions are supportive of a given strategy"**

Unions, for example, are consulted at corporate, divisional and plant level, while Aström has a monthly meeting with union representatives.

"It's much easier to be a manager in a country where there is more emphasis on giving orders because what you are saying is not really questioned. But it doesn't mean you

are rather weak and slow to make up their minds."

Aström does not accept this, and points to the current integration of Kabi with the newly acquired Italian pharmaceutical group Farmitalia Carlo Erba to make his point.

"This deal was only completed in May, and yet already we have

moved very quickly to get the new management teams in place in all the countries where we will be operating. You can combine both speed and accuracy of decision making with a management style of involvement and commitment," he maintains.

Aström confesses to being a workaholic - his working day can easily stretch from 8am to 10pm - but he also finds time to pore over management books and articles. One result of his reading has been a new emphasis on time-based management, or a programme called TTM 50 which aims to cut delivery times to market by 50 per cent.

Important as measures like this are, he believes there are dangers in becoming too caught up in internal processes.

"It's very easy to get internally focused, but the key to management is to maintain an external focus as well so that you don't lose sight of the customer, the market and the competitive situation. It's important to establish a strategic direction, so that everyone in the group is heading towards the same goal."

Though clearly a defender of Swedish management style, Aström believes the Swedes lose out in having a limited number of foreigners in senior management positions, even in the country's big multinationals. It's not surprising, he says, given Sweden's climate, high tax rates and generally low pay levels by international standards. "But it will have to change. Sweden needs to become less insular," he states.

New turmoil awaits Kabi in the autumn as Procordia - which is part-state-owned and part owned by Volvo - is split into its food and pharmaceutical segments as part of a resolution of an ownership dispute between the two main shareholders. Volvo is to take over the food operations, while what is left of Procordia will be vertically integrated with its pharmaceutical and biotechnology businesses. For Aström it almost certainly means he will be playing second fiddle again to Jan Ekberg, at least in the short term, probably as one of several vice-presidents.

"It is a lesser role," he says with a trace of wounded pride.

"On the other hand the company is much bigger now, and the challenges ahead are tremendous."

These challenges suggest he will remain with the group in the short-term, at least until the Kabi and Farmitalia Carlo Erba integration is complete.

This will take several years and for the moment he is not looking beyond that. "You shape your career path by creating results. If you create results, you will over time be rewarded," he says.

This is one in an occasional series. Previous articles appeared on August 13 and July 19.

## Seven routes to the top of the tree

Hard work, motivation and a certain something can lead to business success, says Adrian Furnham

**S**uccess stories of business superstars are certainly as interesting and improbable as the biographies of minor European monarchs or film stars.

Many tycoons can tell the tale of how they made it from humble beginnings to multi-million dollar moguls. Many of these tales are of an occasionally moving, roller-coaster ride through early success, false starts and repeated failure, with the only common thread being a consistent motivation to succeed.

But by definition, these auto-biographies are the enviable stories of success. How people become rich is the stuff of dreams; the hope of every lottery ticket buyer and the fantasy of every gambler. Most people have imagined what they would do if they won the pools. However, no self-made billionaires are such idle time wasters. They have all worked hard, for long periods to find those extremely elusive secrets of success that lead to mega-riches. They are proponents of the adage that "success" comes before "work" only in the dictionary.

The so-called secrets are of course often well known. People who have studied the histories of business achievement have documented various possible routes to the same end - that sweet, distinctive smell of success. A careful examination of the main pathways to company growth has revealed how relatively few they are in number.

Case studies have shown for instance that the success of companies such as Walt Disney, Benetton, Korean Airlines, Federal Express, Hilton Hotels, Gucci and the Mandarin Hotel group were each achieved via different pathways.

Business School researchers such as Simon Tam, at Hong Kong University Business School have argued there are only really seven distinct routes to significant business success.

All hyper-growth firms surveyed appear to fit into one or other of

these categories. All companies following one pathway might experience the same benefits, but they also share the same vulnerabilities.

The seven routes are distinct, although they may exist in various combinations, within large groups or over time. They are:

● **The Product Innovation Route:** here the business is built on one or more extremely successful, original and unique product. Polaroid and Sony are examples. Products may be as varied as instant noodles to adult magazines, but the companies succeed, after a long period, researching the unique,

rigid competitor. Regulatory change and the opening of legal loopholes means that some entrepreneurs have anticipated and used the opportunity.

● **Freddie Laker, Federal Express and DHL** typify those who made their killing by exploiting the complacency of others.

● **Turnaround Route:** some have made it rich by a dramatic and unpredicted turnaround of poorly functioning companies.

Individuals have taken weakly functioning organisations and changed them into vigorous, customer-sensitive, dollar-generating companies. Hilton Hotels and First Pacific nicely illustrate this.

● **The Market Forces Route:** some people are, it seems, super-sensitive to consumers' psychology. Those with the metaphorical ears to the ground of market forces have included Gucci, Seatchi and Saatchi and Lotte.

These highly successful businessmen have capitalised, mobilised and manipulated market forces to their own ends.

● **The Exceptional Service Route:** There are those, such as Singapore Airlines and the Mandarin Hotel chain whose success is almost entirely attributable to going beyond currently conceivable levels of service.

The potential customer becomes a regular customer and a happy free-advertiser by word-of-mouth for the company.

It is hard work but such companies are proof that it can be done and there are rich pickings once the reputation for service has been won and the prices can be marked.

The problem with all lists or category systems is that the hair-splitter find unclassifiable or combination routes. Others, hoping for fame, devise alternative classification systems. But rather than figure out a perfect and parsimonious nomenclature for becoming rich, it may be better to begin the journey.

Adrian Furnham is Professor of Psychology at University College, London.

**Most people have imagined what they would do if they won the pools. But no self-made billionaires are such idle time wasters**

innovative and, of course, highly desirable product.

● **The Technological Innovation Route:** here business success lies not in finding a new product, but rather a different way of producing it.

Honda added an engine to a bicycle and Evergreen thought of container ships. Many have, sometimes through luck, discovered a new way to do things. And they have become extremely rich in the process.

● **The Relationship Route:** all business people know about contacts and networking, but few make it the secret of their success. Khashoggi and Hammer, for example, both became filthy rich by establishing and maintaining highly beneficial relationships with politicians, the military, corporations and royalty.

They certainly believed that God gave us our friends and the devil out relations.

● **Exploiting the Rigid Competitor Route:** some firms have succeeded by spotting not a gap in the market, but the lazy, inflexible

## PEOPLE

### New flightpath for Curt Ekstrom

Curt Ekstrom, general manager of Unifly in Sweden and a founder of Amadeus, one of the two main European airline reservation systems, has been headhunted as the next chief executive of Speedwing Systems. This is the largest division within the Speedwing Group, British Airways' information technology and consultancy services business.

He replaces 54-year-old Malcolm Dillingham, who, after three years in the job, is moving to work on the technical aspects of BA's strategic stakes in Gatwick and US Airways. The division provides reservation, airline accounting and yield management systems to other airlines.

Rick Wills, managing director of the Speedwing Group,

says that Ekstrom's experience at Amadeus is very valuable as "the basic technology is very similar; it has given him lots of transport industry contacts and both are international companies". Amadeus was set up by Air France, Iberia and Lufthansa and is a direct competitor of Galileo, which is owned by BA and KLM.

"Revenue management products in particular are going to be greatly in demand," according to Wills. The way an airline accounts for receipts from passengers on complicated itineraries using several carriers has a huge impact on cash-flow and hence profits, he argues.

Many of the smaller airlines in the eastern block use Speedwing reservation systems, as, closer to home,

does British Midland. Austrian Airlines is among those using the accounting system.

Ekstrom, 51, also goes on the boards of Bedford Associates, Speedwing's US-based software house, and of Speedwing Logica, a joint venture between Logica and BA.

One of the industry's most respected IT professionals, according to BA, Ekstrom worked his way up SAS, to become general manager of SAS DATA, the Scandinavian airline's IT arm. He also spent four years in Bangkok, managing Thai Airways' data processing department. He was a founder and the original president and chief executive officer of Amadeus between 1989 and 1990.

### Bodies politic

■ **Sir Robin Buchanan** has resigned as chairman of Wessex Regional Health Authority in order to concentrate on his role as chairman of the NHS SUPPLIES AUTHORITY to which he has been appointed for a further two years.

■ **Angela Heylin**, chief executive of Charles Barker, Baroness Perry of Southwark, Vice-Chancellor of South Bank University, and Nick Bawling, a director of PA Consulting Services, have been appointed members of the CITIZEN'S CHARTER ADVISORY PANEL. Panel members are appointed for two years and give their services on two or three days each month.

■ **Derek Kingsbury**, chairman of Fairway Group, David Brown and Goode Durrant, has been appointed a vice-president of the DEFENCE MANUFACTURERS ASSOCIATION.

■ **Leslie Burrage**, deputy md of Hitachi, has been appointed president of the TELEVISION & RADIO INDUSTRIES CLUB.

■ **James McGowan** (below), md of Three Valleys Water Services, has been elected chairman of the WATER COMPANIES' ASSOCIATION.

■ **Alan Gray** has been appointed marketing director of Eutec Europe, part of NORTHUMBRIAN WATER GROUP.

■ **Georges Nardin** has been appointed financial director of LANDIS & GYR Building Control (UK), he moves from Valeo.

■ **John Sharrock**, marketing director for Spillers Foods in the UK, has been appointed md of SPILLERS FOODS INTERNATIONAL.



### Insurance moves

■ **Nigel Gardner**, formerly finance director, is appointed deputy chief executive, finance and administration, and joins the board of CLERICAL MEDICAL INTERNATIONAL Financial Holdings. Kevin Elson, previously chief accountant, is appointed finance director of CMI's Isle of Man companies. David Schuster is also appointed company secretary for the Isle of Man companies.

■ **Martin Brown** has been appointed marketing director of CMI Financial Services. Stewart Laver is appointed insurance marketing director (designate); he moves from Eagle Star. Peter Lineham is appointed corporate development director (designate).

Laver's and Lineham's appointments result from the departure of John Ferguson to become regional director, Far East.

### Jones moves to Kalon

Alan Jones, 49, has joined Kalon, the paints group, as managing director of the decorative paints division. Formerly he was managing director of Paul's Food Group, which is the cereals part of Harrisons & Crossfield, the chemicals, timber and building supplies, food and agriculture, and plantations group.

Before that, Jones had been managing director of Adams Foods; indeed Mike Hennessy, Kalon group managing director, says that he has been a managing director for 15 years. Jones takes over the job, which involves the day-to-day running of the division, from Hennessy himself, who therefore knew the kind of replacement he was looking for. Hennessy says he had only interviewed about six people and had been happy to wait until he had found the right candidate.

The appointment will free Hennessy, also 49 and a crucial influence on the rapid growth of Kalon, to concentrate on his role of developing the group as a whole. He is keen to push both the group's development in continental Europe following the acquisition of Novodec in France and the expansion of the new specialist products division in the UK.

■ **Alan Gray** has been appointed marketing director of Eutec Europe, part of NORTHUMBRIAN WATER GROUP.

■ **Georges Nardin** has been appointed financial director of LANDIS & GYR Building Control (UK), he moves from Valeo.

■ **John Sharrock**, marketing director for Spillers Foods in the UK, has been appointed md of SPILLERS FOODS INTERNATIONAL.

LONDON STOCK EXCHANGE

FINANCIAL TIMES

Footsie breaks through 3,000 barrier

(Financial Times 12/8/93)

For expert investment advice

From your local newsagent  
£1.60

INVESTORS  
CHRONICLE

There is a limited amount of exhibition space available at this conference

FT

FINANCIAL TIMES CONFERENCES

## WORLD MOTOR CONFERENCE

Frankfurt, 8 & 9 September, 1993

Timed to coincide with the Frankfurt Motor Show, this biennial meeting will focus on the challenges and opportunities facing European, US and Japanese motor manufacturers and examine how the automotive industry is responding to the current economic climate.

Speakers include:

**Mr Robert J Eaton**  
Chairman of the Board and Chief Executive Officer  
Chrysler Corporation

**Professor Dr Ulrich Seiffert**  
Member of the Board of Management  
Volkswagen  
Research and Development

**Sir Trevor Chinn CVO**  
Chairman and Chief Executive  
Lex Service Plc

**Ing Giorgio Garuzzo**  
Chief Operating Officer  
Fiat SpA

**Mr Helmut Werner**  
Chairman  
Mercedes-Benz AG

**Mr Tadahiro Shirai**  
President  
Nissan Europe NV

**Mr Georges Bouverot**  
Senior Vice President  
Human Resources  
Renault SA

**Mr Timothy D Leuliette**  
President and CEO  
ITT Automotive Inc

WORLD MOTOR CONFERENCE

☐ Please send me conference details  
☐ Please send me details about exhibiting at the conference

Financial Times Conference Organisation  
102-108 Clerkenwell Road, London EC1M 5SA  
Tel: 071-814 9770. Tlx: 27347 FTCONF G.  
Fax: 071-873 3975/3969

Name Mr/Ms/Ms/Other \_\_\_\_\_  
Position \_\_\_\_\_ Dept \_\_\_\_\_  
Company/Organisation \_\_\_\_\_  
Address \_\_\_\_\_

Post Code \_\_\_\_\_ City \_\_\_\_\_  
Country \_\_\_\_\_  
Tel \_\_\_\_\_ Tlx \_\_\_\_\_ Fax \_\_\_\_\_  
Type of Business \_\_\_\_\_ HA

FT

FINANCIAL TIMES CONFERENCES



## COMMODITIES AND AGRICULTURE

## Germans and Dutch get bulk of CIS aluminium

By Kenneth Gooding, Mining Correspondent

GERMANY AND the Netherlands have been given by far the biggest allocation of aluminium from the Commonwealth of Independent States under the terms of import restrictions imposed last week by the European Commission.

France, from where Pechiney, the state-owned aluminium group, led a campaign for the EC to take action to "safeguard" European producers, can import only 48 tonnes.

Traders complained yesterday that application of the EC restrictions was chaotic. Germany is already imposing rigid regulations but Italy is still permitting unrestricted imports of CIS aluminium.

Meanwhile, protests about the EC's action continue to grow. Mr Alan Bekhor, managing director of Trans-World Metals, which claims to be the biggest trader in Russian aluminium, said the EC made no attempt to consult the trading houses that handle most of the CIS aluminium exports before taking action. He said the futility of the commission's attempt to limit the free flow of a global commodity was illustrated by the fact that aluminium's price had fallen by \$30 a tonne since restrictions were imposed on August 7.

The commission says that only 60,000 tonnes of CIS aluminium may be imported to the EC between then and the end of November. Germany, whose manufacturing industry is a big consumer, has been allocated 25,210 tonnes and the Netherlands the arrival point for most of the CIS metal coming into Europe - 24,552.

Other allocations include: Denmark and Ireland, nil; Italy 5,778 tonnes; Belgium and Luxembourg 1,254 tonnes; Greece 454 tonnes; Spain 1,548 tonnes; Portugal 308 tonnes and the UK 782 tonnes. Once imported the metal can be freely transferred between EC countries.

Mr Bekhor has written to Sir Leon Brittan, EC commissioner for external economic relations, suggesting that the imposition of restrictions "demonstrates how far the EC commission has become little more than the instrument of the depressed European producer lobbies".

He points out that, as EC aluminium production totals only 2m tonnes compared with consumption of about 4m tonnes, "the EC proposal will hurt twice as many people as it is presumed to benefit".

Mr Bekhor said yesterday that the commission's decision was based on outdated information. The price of alumina (aluminium oxide) had been

deregulated and energy prices were also gradually being freed. Transport costs were rising - it now cost \$25 a tonne to ship aluminium from Siberia to the coast compared with \$1 under the old Soviet regime.

Significantly, CIS aluminium exports had stabilised at about 1m tonnes a year and the marketing of Russian metal had been so effective that the EC was no longer importing most of it. The bulk was now attracted to Japan and the US, which did not impose the 6 per cent import duty levied by the EC. This trend was accelerated after the US granted CIS republics "most favoured nation status" in June last year.

Western traders had been helping the CIS industry regain stability. For example, Trans-World had provided pre-payments to CIS smelters when they were short of hard currency to buy raw materials a year ago.

Mr Bekhor said that aluminium was one of the most robust, profitable and efficient industries in the CIS. Many smelters had plans to improve their processes and to cut pollution. "The EC has made a very bad decision based on a seriously flawed report. The consequences have not been thought through and this will become a very big public issue because it is such a scandal".

## Coffee producers pin hopes on export curbs

By Leslie Crawford, Africa Correspondent

AFRICAN COFFEE producers, who have lost more than \$1bn a year since the collapse of an international export quota system in 1989, hope their fortunes will be revived by an agreement to withhold 30 per cent of their output, which was signed alongside Latin American producers in Kampala yesterday.

The accord, due to take effect on October 1, will be open-ended. "We intend to maintain the retention scheme until we reach our target price," said Mr Guy-Alain Gauze, the Ivory Coast's coffee minister and chairman of the Kampala meeting. He would not reveal the target price but said stocks would be released slowly on to the market when prices improved.

The success of the scheme will depend on world coffee prices rallying high enough to finance the costs of withholding exports. Each country will be responsible for its own retention scheme. The participants agreed to meet in Brasilia on September 23 and 24 to hammer out the details of the plan.

If the plan succeeds, 10m bags of 60 kg will be withheld from the world market during

the 1993-94 crop year. Stocks in importing countries were estimated to stand at over 20m bags last March. Half of the stocks are held in the US, with most of the balance in Europe.

The agreement in Kampala was the first to unite coffee producers since the breakdown of the International Coffee Agreement four years ago. It was brought about by direct necessity, as global coffee earnings have fallen to below \$20m from their peak of \$11bn in the mid-1980s. Even Indonesia, which has shunned commodity pacts in the past, attended the Kampala meeting as an observer. Indonesian delegates said they supported the principle of retaining production.

"For four years the Ivory Coast has been exporting at a loss," Mr Gauze said. "We could sustain this state of affairs no longer." The Ivory Coast is Africa's biggest coffee exporter, despite a steep decline in production, from 284,000 tonnes in 1989-90 to 192,000 tonnes in the 1992-93 season, according to the US Department of Agriculture.

The 25 nations of the International Coffee Organisation produce about a fifth of the world's coffee. But the slump in world prices and the costly workings of cumbersome state marketing boards have led a

growing number of African coffee farmers to abandon their plantations in search of more profitable cash crops. The continent's 1992-93 production of 1.63m tonnes was 16 per cent lower than the 1989-90 crop.

News of the producers' formal adoption of the export retention plan helped to keep the latest coffee price rally going yesterday. The November futures price at the London Commodity Exchange ended \$15 up at \$1.176 a tonne.

Even before the agreement, African governments were implementing reforms designed to give coffee farmers a better deal. In Kenya, producer of Africa's finest Arabica coffee, farmers have been allowed to keep half their earnings in foreign currency since the beginning of the year. They are no longer forced to market their beans via the state Coffee Board of Kenya. Most of the large coffee estates are now selling their produce directly at the auction houses in Nairobi, cutting the expense of middlemen.

Even so, Kenya's coffee production has shrunk from 125,000 tonnes to 83,000 tonnes in five years.

Uganda's coffee earnings reached a nadir of \$98m in

1992, compared with average annual revenues of \$300m between 1982 and 1988, according to the Ministry of Finance's budget statement. In a bid to revive the sector, the government abolished export taxes on coffee last year, liberalised producer prices and licensed private traders. Even greater efforts are being expended to diversify exports away from coffee, which still earns 60 per cent of Uganda's hard currency.

Some traders are questioning the benefits of the retention scheme for countries like Kenya, whose fine Arabica coffee fetches a hefty premium on the world market. "Prices this season have reached highs of \$250 for a 50 kilo bag," says Ms Bridget Carrington, a trader with C. Doorman in Nairobi. "This is three times the price paid for Colombian or Central American beans."

If prices soar to new heights, Ms Carrington fears world roasters may reduce the proportion of Kenyan coffee in their blends. She believes the retention scheme may have the undesired effect of undermining demand for Kenya's prime produce and depressing exports.

It is also unclear how Africa's cash-strapped governments are going to pay for the

build up in withheld coffee stocks.

Mr Peter Ngatigize, the research and development manager of Uganda's Coffee Development Authority, believes the financial costs of the retention scheme should be borne by exporters. "But the government will probably have to shoulder some of the expense," he says. Private coffee traders are just beginning to establish their business in Uganda and it would be unfair to hit them with huge unforeseen costs.

Mr Ngatigize says the retention agreement will only work if the price gains on the world market offset the cost of withholding stocks. But in Uganda's case, he believes higher prices are only part of the solution.

"Our coffee plantations are old and in poor shape," he says. "We have to invest in research and extension services to improve the quality and productivity of our shambas [farms]."

Other delegates to the Kampala meeting chose to strike a note of caution. "Commodity pacts have had a high failure rate in the past," one participant said. "The retention scheme is a temporary solution, with problems of sustainability."

## Floating krone lifts Danish farm prices

By David Gardner in Brussels

THE EUROPEAN Commission yesterday raised Danish farm prices by 2.2 per cent, as part of the system for frequent adjustment of "green" currency rates adopted in the wake of the August 2 decision to set 15 per cent fluctuation bands for the European exchange rate mechanism currencies.

The new agrimonetary dispensation recognises all EC currencies as floating within a wide 15 per cent band, and the

commission now reviews farm price conversion rates every three trading days. If the monetary gap between any two member states exceeds 6 per cent during these periods, either or both of the currencies get their green rate changed if individually they have revalued or depreciated by more than two percentage points.

The current adjustment, based on trading on August 12, 13 and 16, is to plug the gap between the Dutch guilder, which commission figures show appreciating by 1.92 per

cent against its central rate, and a krone depreciation of 4.28 per cent. The green krone was revalued by 2.2 per cent, August 11, along with the agricultural conversion rate for the French franc, which rose by 1.8 per cent.

Prior to the latest turmoil in the ERM, the Commission was reviewing green rates about three times a month, but purely for the weaker currencies inside the ERM, the peseta and the escudo, and those floating outside it, sterling, the lira and the drachma.

On both counts, the approach has failed, and not repeating its mistakes may be the lingering lesson for former Soviet-bloc states in similar straits.

Speed was never a problem. The 1,058 collectivised were quickly split up into 415,000 plots of no more than 2 hectares each. So far about 80 per cent of state agricultural assets have been privatised. The generous land restitution scheme has created 104,000 new private family farms - in a country of only 3.7m people.

Production plummeted last year. The 1992 grain and potato harvests, for example, were down to 66 per cent and 72 per cent of the 1991 level respectively. Expectations for 1993, a wet season, are only slightly better. Other sectors reveal similar drops.

Western aid - now totalling \$48.7m, of which \$3.8m comes from the European Community's Phare program - is helping to develop private production, free-market principles and broader trading links. These were anticipated prob-

lem areas. "The Achilles' heel has been land reform," says Mr Czeslaw Olkiewicz, a former member of parliament. "Chaotic agricultural reforms have brought down the industry."

But low output figures, seen across the former Soviet Union, were expected if not to this extent. Lithuania, under Soviet rule, was assigned to produce surplus meat, milk and poultry products and to depend on grain shipments from other republics, mainly Ukraine. Autonomy does not come overnight.

At this rate Lithuania may be severely crippled. A healthy agricultural economy, according to western experts, requires average farm sizes comfortably above 10 hectares. Of course, products like straw-

berries and flowers need little space, but self-sufficiency demands diversity.

"If they continue dividing land for privatisation's sake," says Mr Johannes Oosterveld, an EC consultant at the Ministry of Agriculture, "they'll go down to 6 hectares - and that's not reasonable."

Denmark, a small but developed country, is often used as the benchmark for the Baltic. Average farm size in Denmark is about 40 hectares and rising. Lithuania may be wise to match that figure, post-Soviet politics permitting.

The new government, dominated by the old *nomenklatura*, understands the predicament. Parliament recently prohibited division of farmland below 30 hectares. Other forms of compensation now have to be found.

"They do not have to look far. In Latvia and Estonia, land was sold to the highest bidder, while former owners were compensated with shares in industrial enterprises."

But Lithuanian officials deny that the process went too fast and too far. "We believe people will work faster now," says Mr Virginijus Stukulis, privatisation director at the Ministry of

Agriculture. "Our people don't understand their enterprises are private yet."

Indeed, psychology rather than economics resonates more powerfully, even among experts. "All farms in the United States and Denmark started small," explains Ms Ousta Bravardien, the country director for the US non-profit group, Volunteers in Overseas Co-operative Assistance.

"They have to feel what it's like to be private. People are so proud to be farmers." Co-operatives, now a political hot potato, are a possible future solution. Ms Bravardien, whose group promotes this idea, says "people who can see that's difficult to be alone will be the leaders of the future."

Ultimately, however, the open market may provide the answer. "Farmers with 2 or 5 hectares will not want to be farmers," said Mr Skulskis, who hopes large agribusiness concerns eventually will consolidate many small farms.

Yet with unexpected hurdles put in the way, the transition to a healthy agricultural economy may now take more than one or two years originally expected.

## MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

**ANTIMONY:** European free market, 99.6 per cent, \$ per tonne, in warehouse, 1,856-1,810 (1,840-1,800).

**BISMUTH:** European free market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 2,300-2,500 (same).

**CADMIUM:** European free market, min. 99.5 per cent, \$ per lb, in warehouse, 0.45-0.50.

**CORALITE MB:** free market, 99.9 per cent, \$ per lb, in warehouse, 11.75-12.45 (11.90-12.65);

99.3 per cent, \$ per lb, in warehouse, 10.55-11.30 (10.00-10.50).

**MERCURY:** European free market, min. 99.99 per cent, \$ per 76 lb flask, in warehouse, 100-115 (same).

**MOLYBDENUM:** European free market, drummed molybdenic oxide, \$ per lb Mo, in warehouse, 2.35-2.45 (2.30-2.40).

**SELENIUM:** European free market, min. 99.5 per cent, \$ per lb, in warehouse, 4.55-5.30 (4.70-5.40).

**TUNGSTEN ORE:** European free market, standard min. 95

per cent, \$ per tonne unit (10 kg) WO<sub>3</sub>, cif, 20-33 (23-35).

**VANADIUM:** European free market, min. 99 per cent, \$ a lb V<sub>2</sub>O<sub>5</sub>, cif, 1.30-1.40 (same).

**URANIUM:** Nueco exchange value, \$ per lb, U<sub>3</sub>O<sub>8</sub>, 6.90 (7.00).

**LESS WAREHOUSE STOCKS**  
(% of Monday's close)  
Aluminium 421,295 to 3,022,375  
Copper 48,478 to 488,400  
Lead 950 to 578,178  
Nickel 17,252 to 194,484  
Zinc 46,590 to 739,000  
Tin 100 to 21,290

## WORLD COMMODITIES PRICES

## MARKET REPORT

Lower London Metal Exchange COPPER and ALUMINIUM prices during the afternoon uncovered good buying interest, which resulted in buy markets and, in copper's case, a final rally. Traders said a late afternoon collapse in copper prices was due to US-based selling touching off liquidation and stop-loss selling orders, which pushed the three months delivery price down to \$1,895, against an earlier high of \$1,913. But strong buying below \$1,900 eventually turned the market and last business was at an unchanged \$1,905 a tonne. Aluminium eased to the day's lows

In the early afternoon after news that the closure-threatened 263,000-tonne-a-year Romanian smelter had only been operating at 110,000 tonnes a year. The three months position dipped to \$1,186 a tonne but good trade buying was evident below \$1,190. COCOA futures closed lower in London, depressed by another failed attempt in New York to breach key resistance at \$1,017 a tonne for the December futures position. The strength of sterling also added to the downward pressure.

Compiled from Reuters

## London Markets

**SPOT MARKETS**  
Grade oil (per barrel FOB) Oct 258.00 258.50 259.00 259.50  
Dec 258.00 258.50 259.00 259.50  
Brent Blend (diesel) 258.00 258.50 259.00 259.50  
WTI (11 pm est) 258.00 258.50 259.00 259.50

**Oil products**  
NWE prompt delivery per tonne CIF  
Premium Gasoline 259.00-260.00  
Gas Oil 258.00-259.00  
Heavy Fuel Oil 257.00-258.00  
Naphtha 256.00-257.00  
Petroleum Argus Estimates 255.00-256.00

**Gold (per troy oz)** 372.70 -1.05  
Silver (per troy oz) 47.35 -0.10  
Platinum (per troy oz) 537.25 -0.50  
Palladium (per troy oz) 518.25 -1.0

**Copper (US Producer)** 90.20 -0.50  
Copper (US Producer) 34.80 -1.13  
Tin (Asia/US Producer) 12.10m -0.02  
Tin (New York) 222.00  
Zinc (US Producer) 62.00

**Sheep live weight** 120.40 -0.20  
Cattle live weight 108.30 -0.20  
Pigs live weight 73.00 -0.20

**London daily sugar** 254.00 -7.3  
London daily sugar (white) 254.00 -9.0  
Tide and Lyle export price 227.0 -0.0

**Wheat (English hard)** 191.00  
Wheat (US No. 1 yellow) 210.00  
Wheat (US No. 2 yellow) 210.00  
Wheat (US No. 3 yellow) 210.00  
Wheat (US No. 4 yellow) 210.00  
Wheat (US No. 5 yellow) 210.00  
Wheat (US No. 6 yellow) 210.00  
Wheat (US No. 7 yellow) 210.00  
Wheat (US No. 8 yellow) 210.00  
Wheat (US No. 9 yellow) 210.00  
Wheat (US No. 10 yellow) 210.00  
Wheat (US No. 11 yellow) 210.00  
Wheat (US No. 12 yellow) 210.00  
Wheat (US No. 13 yellow) 210.00  
Wheat (US No. 14 yellow) 210.00  
Wheat (US No. 15 yellow) 210.00  
Wheat (US No. 16 yellow) 210.00  
Wheat (US No. 17 yellow) 210.00  
Wheat (US No. 18 yellow) 210.00  
Wheat (US No. 19 yellow) 210.00  
Wheat (US No. 20 yellow) 210.00  
Wheat (US No. 21 yellow) 210.00  
Wheat (US No. 22 yellow) 210.00  
Wheat (US No. 23 yellow) 210.00  
Wheat (US No. 24 yellow) 210.00  
Wheat (US No. 25 yellow) 210.00  
Wheat (US No. 26 yellow) 210.00  
Wheat (US No. 27 yellow) 210.00  
Wheat (US No. 28 yellow) 210.00  
Wheat (US No. 29 yellow) 210.00  
Wheat (US No. 30 yellow) 210.00  
Wheat (US No. 31 yellow) 210.00  
Wheat (US No. 32 yellow) 210.00  
Wheat (US No. 33 yellow) 210.00  
Wheat (US No. 34 yellow) 210.00  
Wheat (US No. 35 yellow) 210.00  
Wheat (US No. 36 yellow) 210.00  
Wheat (US No. 37 yellow) 210.00  
Wheat (US No. 38 yellow) 210.00  
Wheat (US No. 39 yellow) 210.00  
Wheat (US No. 40 yellow) 210.00  
Wheat (US No. 41 yellow) 210.00  
Wheat (US No. 42 yellow) 210.00  
Wheat (US No. 43 yellow) 210.00  
Wheat (US No. 44 yellow) 210.00  
Wheat (US No. 45 yellow) 210.00  
Wheat (US No. 46 yellow) 210.00  
Wheat (US No. 47 yellow) 210.00  
Wheat (US No. 48 yellow) 210.00  
Wheat (US No. 49 yellow) 210.00  
Wheat (US No. 50 yellow) 210.00  
Wheat (US No. 51 yellow) 210.00  
Wheat (US No. 52 yellow) 210.00  
Wheat (US No. 53 yellow) 210.00  
Wheat (US No. 54 yellow) 210.00  
Wheat (US No. 55 yellow) 210.00  
Wheat (US No. 56 yellow) 210.00  
Wheat (US No. 57 yellow) 210.00  
Wheat (US No. 58 yellow) 210.00  
Wheat (US No. 59 yellow) 210.00  
Wheat (US No. 60 yellow) 210.00  
Wheat (US No. 61 yellow) 210.00  
Wheat (US No. 62 yellow) 210.00  
Wheat (US No. 63 yellow) 210.00  
Wheat (US No. 64 yellow) 210.00  
Wheat (US No. 65 yellow) 210.00  
Wheat (US No. 66 yellow) 210.00  
Wheat (US No. 67 yellow) 210.00  
Wheat (US No. 68 yellow) 210.00  
Wheat (US No. 69 yellow) 210.00  
Wheat (US No. 70 yellow) 210.00  
Wheat (US No. 71 yellow) 210.00  
Wheat (US No. 72 yellow) 210.00  
Wheat (US No. 73 yellow) 210.00  
Wheat (US No. 74 yellow) 210.00  
Wheat (US No. 75 yellow) 210.00  
Wheat (US No. 76 yellow) 210.00  
Wheat (US No. 77 yellow) 210.00  
Wheat (US No. 78 yellow) 210.00  
Wheat (US No. 79 yellow) 210.00  
Wheat (US No. 80 yellow) 210.00  
Wheat (US No. 81 yellow) 210.00  
Wheat (US No. 82 yellow) 210.00  
Wheat (US No. 83 yellow) 210.00  
Wheat (US No. 84 yellow) 210.00  
Wheat (US No. 85 yellow) 210.00  
Wheat (US No. 86 yellow) 210.00  
Wheat (US No. 87 yellow) 210.00  
Wheat (US No. 88 yellow) 210.00  
Wheat (US No. 89 yellow) 210.00  
Wheat (US No. 90 yellow) 210.00  
Wheat (US No. 91 yellow) 210.00  
Wheat (US No. 92 yellow) 210.00  
Wheat (US No. 93 yellow) 210.00  
Wheat (US No. 94 yellow) 210.00  
Wheat (US No. 95 yellow) 210.00  
Wheat (US No. 96 yellow) 210.00  
Wheat (US No. 97 yellow) 210.00  
Wheat (US No. 98 yellow) 210.00  
Wheat (US No. 99 yellow) 210.00  
Wheat (US No. 100 yellow) 210.00  
Wheat (US No. 101 yellow) 210.00  
Wheat (US No. 102 yellow) 210.00  
Wheat (US No. 103 yellow) 210.00  
Wheat (US No. 104 yellow) 210.00  
Wheat (US No. 105 yellow) 210.00  
Wheat (US No. 106 yellow) 210.00  
Wheat (US No. 107 yellow) 210.00  
Wheat (US No. 108 yellow) 210.00  
Wheat (US No. 109 yellow) 210.00  
Wheat (US No. 110 yellow) 210.00  
Wheat (US No. 111 yellow) 210.00  
Wheat (US No. 112 yellow) 210.00  
Wheat (US No. 113 yellow) 210.00  
Wheat (US No. 114 yellow) 210.00  
Wheat (US No. 115 yellow) 210.00  
Wheat (US No. 116 yellow) 210.00  
Wheat (US No. 117 yellow) 210.00  
Wheat (US No. 118 yellow) 210.00  
Wheat (US No. 119 yellow) 210.00  
Wheat (US No. 120 yellow) 210.00  
Wheat (US No. 121 yellow) 210.00  
Wheat (US No. 122 yellow) 210.00  
Wheat (US No. 123 yellow) 210.00  
Wheat (US No. 124 yellow) 210.00  
Wheat (US No. 125 yellow) 210.00  
Wheat (US No. 126 yellow) 210.00  
Wheat (US No. 127 yellow) 210.00  
Wheat (US No. 128 yellow) 210.00  
Wheat (US No. 129 yellow) 210.00  
Wheat (US No. 130 yellow) 210.00  
Wheat (US No. 131 yellow) 210.00  
Wheat (US No. 132 yellow) 210.00  
Wheat (US No. 133 yellow) 210.00  
Wheat (US No. 134 yellow) 210.00  
Wheat (US No. 135 yellow) 210.00  
Wheat (US No. 136 yellow) 210.00  
Wheat (US No. 137 yellow) 210.00  
Wheat (US No. 138 yellow) 210.00  
Wheat (US No. 139 yellow) 210.00  
Wheat (US No. 140 yellow) 210.00  
Wheat (US No. 141 yellow) 210.00  
Wheat (US No. 142 yellow) 210.00  
Wheat (US No. 143 yellow) 210.00  
Wheat (US No. 144 yellow) 210.00  
Wheat (US No. 145 yellow) 210.00  
Wheat (US No. 146 yellow) 210.00  
Wheat (US No. 147 yellow) 210.00  
Wheat (US No. 148 yellow) 210.00  
Wheat (US No. 149 yellow) 210.00  
Wheat (US No. 150 yellow) 210.00  
Wheat (US No. 151 yellow) 210.00  
Wheat (US No. 152 yellow) 210.00  
Wheat (US No. 153 yellow) 210.00  
Wheat (US No. 154 yellow) 210.00  
Wheat (US No. 155 yellow) 210.00  
Wheat (US No. 156 yellow) 210.00  
Wheat (US No. 157 yellow) 210.00  
Wheat (US No. 158 yellow) 210.00  
Wheat (US No. 159 yellow) 210.00  
Wheat (US No. 160 yellow) 210.00  
Wheat (US No. 161 yellow) 210.00  
Wheat (US No. 162 yellow) 210.00  
Wheat (US No. 163 yellow) 210.00  
Wheat (US No. 164 yellow) 210.00  
Wheat (US No. 165 yellow) 210.00  
Wheat (US No. 166 yellow) 210.00  
Wheat (US No. 167 yellow) 210.00  
Wheat (US No. 168 yellow) 210.00  
Wheat (US No. 169 yellow) 210.00  
Wheat (US No. 170 yellow) 210.00  
Wheat (US No. 171 yellow) 210.00  
Wheat (US No. 172 yellow) 210.00  
Wheat (US No. 173 yellow) 210.00  
Wheat (US No. 174 yellow) 210.00  
Wheat (US No. 175 yellow) 210.00  
Wheat (US No. 176 yellow) 210.00  
Wheat (US No. 177 yellow) 210.00  
Wheat (US No. 178 yellow) 210.00  
Wheat (US No. 179 yellow) 210.00  
Wheat (US No. 180 yellow) 210.00  
Wheat (US No. 181 yellow) 210.00  
Wheat (US No. 182 yellow) 210.00  
Wheat (US No. 183 yellow) 210.00  
Wheat (US No. 184 yellow) 210.00  
Wheat (US No. 185 yellow) 210.00  
Wheat (US No. 186 yellow) 210.00  
Wheat (US No. 187 yellow) 210.00  
Wheat (US No. 188 yellow) 210.00  
Wheat (US No. 189 yellow) 210.00  
Wheat (US No. 190 yellow) 210.00  
Wheat (US No. 191 yellow) 210.00  
Wheat (US No. 192 yellow) 210.00  
Wheat (US No. 193 yellow) 210.00  
Wheat (US No. 194 yellow) 210.00  
Wheat (US No. 195 yellow) 210.00  
Wheat (US No. 196 yellow) 210.00  
Wheat (US No. 197 yellow) 210.00  
Wheat (US No. 198 yellow) 210.00  
Wheat (US No. 199 yellow) 210.00  
Wheat (US No. 200 yellow) 210.00  
Wheat (US No. 201 yellow) 210.00  
Wheat (US No. 202 yellow) 210.00  
Wheat (US No. 203 yellow) 210.00  
Wheat (US No. 204 yellow) 210.00  
Wheat (US No. 205 yellow) 210.00  
Wheat (US No. 206 yellow) 210.00  
Wheat (US No. 207 yellow) 210.00  
Wheat (US No. 208 yellow) 210.00  
Wheat (US No. 209 yellow) 210.00  
Wheat (US No. 210 yellow) 210.00  
Wheat (US No. 211 yellow) 210.00  
Wheat (US No. 212 yellow) 210.00  
Wheat (US No. 213 yellow) 210.00  
Wheat







## HOTELS & LEISURE - Cont.

### INVESTMENT TRUSTS - Cont.

## BUILDING MATERIALS - Cont.

## ELECTRICALS

**ENGINEERING-GENERAL - Cont.**HOTELS & LEISURE - CONT.

Symbol	Price	+ or -	High	1999
--------	-------	--------	------	------

[illegible][illegible]

	Ratio	1970	1980
Food & Drink	100%	100%	100%
Alcohol	100%	100%	100%
Meat	100%	100%	100%
Grains	100%	100%	100%
Vegetables	100%	100%	100%
Fruit	100%	100%	100%
Dairy	100%	100%	100%
Eggs	100%	100%	100%
Seafood	100%	100%	100%
Other	100%	100%	100%
Food & Drink	100%	100%	100%
Alcohol	100%	100%	100%
Meat	100%	100%	100%
Grains	100%	100%	100%
Vegetables	100%	100%	100%
Fruit	100%	100%	100%
Dairy	100%	100%	100%
Eggs	100%	100%	100%
Seafood	100%	100%	100%
Other	100%	100%	100%

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

	+B	-B	1993
DIA SW	628	718	52
Prior Post A PW	(382)	(382)	1
Burned Hires - B	85	1	1
Hired Hires NGS - P	18	288+	2
SAL - C	30	0	60
Personnel Sit time	35	36	

[illegible][illegible]

INSURANCE LIFE			
	Index	Price	% Chg.
Life Savers	100	100.00	0.00
Life Savers II	100	100.00	0.00
Life Savers III	100	100.00	0.00
Life Savers IV	100	100.00	0.00
Life Savers V	100	100.00	0.00
Life Savers VI	100	100.00	0.00
Life Savers VII	100	100.00	0.00
Life Savers VIII	100	100.00	0.00
Life Savers IX	100	100.00	0.00
Life Savers X	100	100.00	0.00
Life Savers XI	100	100.00	0.00
Life Savers XII	100	100.00	0.00
Life Savers XIII	100	100.00	0.00
Life Savers XIV	100	100.00	0.00
Life Savers XV	100	100.00	0.00
Life Savers XVI	100	100.00	0.00
Life Savers XVII	100	100.00	0.00
Life Savers XVIII	100	100.00	0.00
Life Savers XIX	100	100.00	0.00
Life Savers XX	100	100.00	0.00
Life Savers XXI	100	100.00	0.00
Life Savers XXII	100	100.00	0.00
Life Savers XXIII	100	100.00	0.00
Life Savers XXIV	100	100.00	0.00
Life Savers XXV	100	100.00	0.00
Life Savers XXVI	100	100.00	0.00
Life Savers XXVII	100	100.00	0.00
Life Savers XXVIII	100	100.00	0.00
Life Savers XXIX	100	100.00	0.00
Life Savers XXX	100	100.00	0.00
Life Savers XXXI	100	100.00	0.00
Life Savers XXXII	100	100.00	0.00
Life Savers XXXIII	100	100.00	0.00
Life Savers XXXIV	100	100.00	0.00
Life Savers XXXV	100	100.00	0.00
Life Savers XXXVI	100	100.00	0.00
Life Savers XXXVII	100	100.00	0.00
Life Savers XXXVIII	100	100.00	0.00
Life Savers XXXIX	100	100.00	0.00
Life Savers XL	100	100.00	0.00
Life Savers XLI	100	100.00	0.00
Life Savers XLII	100	100.00	0.00
Life Savers XLIII	100	100.00	0.00
Life Savers XLIV	100	100.00	0.00
Life Savers XLV	100	100.00	0.00
Life Savers XLVI	100	100.00	0.00
Life Savers XLVII	100	100.00	0.00
Life Savers XLVIII	100	100.00	0.00
Life Savers XLIX	100	100.00	0.00
Life Savers L	100	100.00	0.00
Life Savers LI	100	100.00	0.00
Life Savers LII	100	100.00	0.00
Life Savers LIII	100	100.00	0.00
Life Savers LIV	100	100.00	0.00
Life Savers LV	100	100.00	0.00
Life Savers LVI	100	100.00	0.00
Life Savers LVII	100	100.00	0.00
Life Savers LVIII	100	100.00	0.00
Life Savers LIX	100	100.00	0.00
Life Savers LX	100	100.00	0.00
Life Savers LXI	100	100.00	0.00
Life Savers LXII	100	100.00	0.00
Life Savers LXIII	100	100.00	0.00
Life Savers LXIV	100	100.00	0.00
Life Savers LXV	100	100.00	0.00
Life Savers LXVI	100	100.00	0.00
Life Savers LXVII	100	100.00	0.00
Life Savers LXVIII	100	100.00	0.00
Life Savers LXIX	100	100.00	0.00
Life Savers LXX	100	100.00	0.00
Life Savers LXXI	100	100.00	0.00
Life Savers LXXII	100	100.00	0.00
Life Savers LXXIII	100	100.00	0.00
Life Savers LXXIV	100	100.00	0.00
Life Savers LXXV	100	100.00	0.00
Life Savers LXXVI	100	100.00	0.00
Life Savers LXXVII	100	100.00	0.00
Life Savers LXXVIII	100	100.00	0.00
Life Savers LXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	0.00
Life Savers LXXXI	100	100.00	0.00
Life Savers LXXXII	100	100.00	0.00
Life Savers LXXXIII	100	100.00	0.00
Life Savers LXXXIV	100	100.00	0.00
Life Savers LXXXV	100	100.00	0.00
Life Savers LXXXVI	100	100.00	0.00
Life Savers LXXXVII	100	100.00	0.00
Life Savers LXXXVIII	100	100.00	0.00
Life Savers LXXXIX	100	100.00	0.00
Life Savers LXXX	100	100.00	

Mr. Tolson	_____
Mr. E. A. Tamm	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Carson	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Hendon	_____
Mr. Pennington	_____
Mr. Quinn	_____
Mr. Nease	_____
Miss Gandy	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Carson	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Hendon	_____
Mr. Pennington	_____
Mr. Quinn	_____
Mr. Nease	_____
Miss Gandy	_____

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]



INVESTMENT TRUSTS - Cont.

Trust Name	Price	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598</
------------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------



## AUTHORISED UNIT TRUSTS

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (877) 873-4378 for more details.

De (Acoustic)	5	58.24	54.98	52.85	-0.08	3.38
American C&I Inc.	6	58.93	56.88	54.02	-1.17	0.00
De (Acoustic)	6	60.74	61.00	58.24	-1.14	0.00
European Growth	6	115.42	112.42	116.98	-0.82	1.67
De (Acoustic)	6	113.89	113.69	121.57	-2.93	0.00
Global Bond Inc.	6	30.54	28.98	32.53	-0.18	0.00
De (Acoustic)	6	38.36	38.52	40.06	-0.20	3.37
Intermodal Profile Inc.	6	28.81	28.10	26.75	-0.51	1.28
De (Acoustic)	6	38.23	38.37	41.03	-0.57	0.00
Pacific Growth Assoc.	6	109.19	109.19	116.78	-5.87	0.58
Star Capital Investments	6	98.88	103.79	97.99	-1.48	0.00

Stur Inc. 34 38	5	172.8	174.9	163.9	14.18
Stur Inc. 34 38	5	362.0	362.5	412.8	14.18
<b>Coronado Unit Test Mfgs Ltd (1200M)</b>					
23, Raveston Terrace, Edinburgh				07-315	2500
European Com	5	227.8	227.5	248.5	-2.3
Flow Aps	5	168.2	168.2	178.2	-3.7
Jazzco Bros	5	134.9	134.9	148.1	-4.4
Jay Snel' Co	5	635.8	635.8	575.1	-7.4
John Arner &	5	230.0	238.0	248.5	-2.5
LRI Interp & Grands	5	596.2	596.2	528.0	-6.7

[illegible]

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

The symbols are as follows: (P) - 0001 to 1100 houses; (S) - 1101 to 1400 houses; (L) - 1401 to 1700 houses; (H) - 1701 to 2000 houses. Daily listing prices are set on the basis of the valuation price; a short period of time may elapse before prices become realistic.

Other explanatory notes are contained in the text columns of the FT Managed Funds Service.

**My Life Assurance and Half Trust - Regulatory Organisation, Centre Point,**  
162 New Oxford Street, London WC1A 1NN  
Tel: 071-270-0000.

10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

[illegible]

Compiled with the assistance of Laura S.

1401 to 1700 years; (4) - 1701 to 1800 years. Daily trading prices are set on the basis of the valuation policy; a short period of time may elapse before prices become available.

Other regulatory notes are contained in the next column of the FT Managed Funds Service.

155 Life Assurance and Unit Trust  
Regulatory Organisation,  
Cairns Point.  
163 New Oxford Street, London WC2A 1NN  
Tel: 071-270-0000.

**Regulatory Organization,  
Cairns Point,  
1013 New Quay Street, London WC2A 1BN  
Tel: 071-270-0000.**

**Regulatory Organization,  
Cairns Point,  
1013 New Quay Street, London WC2A 1BN  
Tel: 071-270-0000.**



**FT MANAGED FUNDS SERVICE**

## 25

[illegible]



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on ( 071 ) 873 4878 for more details.

[illegible]











## CANADA

# IS THIS YOUR OWN COPY OF THE FINANCIAL TIMES?

Or do you rely on seeing someone else's? Every day the FT reports on the topics that matter to people doing business every day, in and from Europe.

We cover the latest European, U.S. and international news, and analyse the implications from a European perspective. In fact you'll find far more than finance in the FT.

No surprise then, that the Financial Times is read by over four times as many senior European businessmen and women as any other international newspaper.\*

Make sure you're one of them by getting your own copy of the newspaper delivered to your office.

\*Source: EBIS 1991

To: Gillian Hart, Financial Times (Europe) GmbH, Nibelungenplatz 3, 60719 Frankfurt/Main, Germany. Tel.: +4969 550650, Telex: 416193, Fax: +4969 550645.

## SPECIAL INTRODUCTORY SUBSCRIPTION.

### TWELVE FREE ISSUES DELIVERED TO YOUR OFFICE

To: Gillian Hart, Financial Times (Europe) GmbH, Nibelungenplatz 3, 60719 Frankfurt/Main, Germany. Tel.: +4969 550650, Telex: 416193, Fax: +4969 550645.

YES, I would like to subscribe in the Financial Times, and enjoy my first 12 issues free. I will allow up to 21 days before delivery of my first copy. Please enter my subscription for 12 months at the following rate\*:

Austria	ÖES 5400	France	FFR 11900	Luxembourg	LFR 12500	Spain	PTB 39100
Belgium	BFR 12500	Germany	DM 7400	Netherlands	DFL 9500	Sweden	SEK 20600
Denmark	DKK 13150	Greece	GR 22300	Norway	NOK 23800	Switzerland	SPR 4800
Finland	FMK 17800	Italy	LIT 560000	Portugal	ESC 57000	Turkey	TL 1200000

☐ Bill me ☐ Charge my American Express/Deiners Club/Discover/Visa Account

Expiry Date \_\_\_\_\_

☐ Please tick here for more information about 6 and 24 month subscription rates, or more for a country not listed opposite

(Please print)

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_ Tel \_\_\_\_\_

Address to which I would like my Financial Times delivered \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

to be accepted without a signature

\*Current rates are only valid for the countries in which they are quoted. Subscription Prices vary, correct at time of going to press. \*\*I accept subscription on cash. Prices are exclusive of VAT in all EU countries except Germany and France. Offer valid until 31st October 1991.

To subscribe via the FT in North America contact New York Tel: 212 512 2000, Fax: 212 512 2001, For European Tel: 212 512 2011, Fax: 212 512 1112

**THE FINANCIAL TIMES**  
A PAPER OF RECORD

**FAR MORE THAN FINANCE.**



*4 pm close August 17*

TECHNOLOGY THAT WORKS FOR LIFE

**Samsung**  
**8mm Camcorder**



8 Times Power Zoom  
Palm-Size

**SAMSUNG**  
**ELECTRONICS**







## AMERICA

## Hewlett drops after results disappoint

## Wall Street

US share prices were trapped in a narrow range either side of opening values yesterday in subdued trading, writes Patrick Harrison in New York.

At 1 pm, the Dow Jones Industrial Average was up 3.08 at 3,682.23. The more broadly based Standard & Poor's 500 was 0.09 lower at 452.29, while the Amex composite was up 1.29 at 442.62. At 12.30 pm, the Nasdaq composite was up 1.64 at 738.53, another new record. Trading volume on the NYSE was 153m shares by 1 pm.

Equity markets paused for breath yesterday, after Monday's heavy buying which lifted several key indices to new record highs.

Some initial profit-taking left prices lower soon after the opening bell, but the selling was insufficiently widespread to leave stocks in the red for particularly long.

Within an hour of the start the markets were back in positive territory, but they failed to move much from there for the rest of the morning session. The lack of direction from the bond market was partly to blame for the sluggish movement among equities.

The day's only economic news also contributed to the downward mood: the commerce department reported that housing starts had fallen 1.7 per cent in July, providing further evidence that the housing market remains weak in spite of low mortgage rates and a gradually expanding economy.

The big news of the day was Hewlett-Packard which dropped \$5 to \$70.4 in volume of 2m shares after reporting fiscal third quarter earnings of \$1.06 a share, up from 75 cents a share a year ago.

In spite of the improvement on a year earlier, the stock fell sharply because the results were not as strong as Wall Street had expected - analysts' forecasts had averaged around

\$1.20 a share for Hewlett-Packard's latest quarter.

Other notable technology stocks were mixed. Digital Equipment fell 8% to \$38.5, but IBM rose 3% to \$41.4.

Retail stocks were mixed in the wake of the release of second quarter earnings. Dayton Hudson fell 1% to \$67.4 on news of a 43 per cent drop in profits to 28 cents a share.

The company also said that it would take a 5 cents a share charge in the third quarter to cover changes in tax rates.

JC Penney rose 5% to \$46.4 after the company unveiled a 40 per cent jump in second quarter earnings to \$1.12m, or 42 cents a share.

Glaxo ADRs climbed 1% to \$16.4 in volume of 2m shares after the company received approval from the Food and Drug Administration to market its post-operative anti-nausea product, Zofran, in the US.

## Canada

TORONTO was stronger at mid-session as the market forecast a slight rise in interest rates by Bank of Canada later in the session.

Analysts had been forecasting a rise of some 80 basis points earlier in the week, but a firmer Canadian dollar had caused them to revise that figure down to between 40 and 50 basis points.

The TSX-300 composite index was up 10.48 at 4,030.68, although this was not reflected throughout with the metal and minerals sub-index down 17.59 at 3,123.35.

Volume at mid-session was some 25.9m shares.

## SOUTH AFRICA

DISAPPOINTING half-year results from De Beers kept activity muted. Its shares slipped 25 cents to R29.50 as the overall index added 17 at 4,007. The gold shares index gained 7 at 1,754 and industrial 13 at 4,542.

## EUROPE

## Wide variations in senior bourse performance

SENIOR bourses saw wide variations in performance, writes Our Markets Staff.

PARIS, closed for a holiday on Monday, lost ground on disappointment that while the Bank of France eased its 24 hour lending rate, it left the intervention rate unchanged.

The CAC-40 index shed 11.71 to 2,136.29 as turnover dried back from FF2.3.5bn to FF1.7.9bn. Mr Michael Woodcock at Nikko Europe said that equities were discounting a sharp fall in interest rates and "a speedy resumption of economic growth".

A period of consolidation could be expected, he said, warning that "disappointing company earnings figures should emphasise... the seriousness of the current economic downturn".

Euro Disney reacted to last week's news of a fall in third quarter revenues, the shares slipping FF4.45 or 6.8 per cent to FF60.50. Peugeot lost FF4 to FF59.85, having announced that it was to suspend production of its 405 model in the UK.

FRANKFURT's DAX index eased 2.02 to 1910.17 after an

intraday low of 1895.77. Turnover rose from DM7.8bn to DM8.2bn.

Siemens consolidated, rising 30 pts to DM584.90; it emerged that Monday's DM8.60 gain followed an upgrade from 'long term buy' to 'buy' from DB Research whose analyst, Mr Sönke Papenhausen, said that improving chip demand had led to a 15 per cent increase in selling prices since last October.

Its subsidiary, AEG, rose DM5.20 to DM173.50 on its leading role in a Siemens-led consortium which has won a contract from Germany's railroad authorities.

In retailing, Asko dropped DM55 to DM745 on its bid for Massa, which reflected the terms and rose DM12 to DM184. In chemicals and metals, Degussa fell DM11.50 to DM71.50 on a drop in half year profits; and, reflecting hopes in mobile telecommunications, Mannesmann rose DM5.50 to DM335.50 on the AT&T bid for McCaw Cellular Communications in the US.

## ASIA PACIFIC

## Hong Kong and Singapore establish new record highs

## Tokyo

HIGHTENED hopes of a discount rate cut initially pushed up share prices, but a late afternoon fall in the yen prompted profit-taking, and the Nikkei average ended marginally lower, writes Emilio Terrazano in Tokyo.

The Nikkei lost a net 59.51 at 20,841.98, having risen to a high for the day of 21,025.60 during the morning, the first move above the 21,000 level since June 7. However, the subsequent profit-taking pulled the index down to a low for the session of 20,749.47 just before the close.

Volume increased to 320m shares from 234m. Dealers led market activity, while foreign investors were active buyers. Overall rises still led declines by 648 to 309 at the close, with 199 issues unchanged, but the Topix index of all first section stocks was finally 6.39 easier at

1,681.75. In London the ISE/Nikkei 60 index was 0.42 firmer at 1,321.34.

The dollar, which fell to a record low of ¥100.40 in the morning, managed to close higher following comments by government officials which suggested that an economic stimulus package was being formulated for the autumn.

Traders said buy orders were cancelled soon after the yen moved back to the ¥101 level. In spite of the Nikkei's retreat, some analysts said the underlying tone remained firm. Mr Alan Livsey at Kleinwort Benson International said: "People do not seem to be reacting to bad news because they do not want to sell into a bottoming economy."

Profit-taking depressed steel-makers and shipbuilders. Nippon Steel shedding ¥2 to ¥390, Mitsubishi Heavy Industries ¥11 to ¥790 and Hitachi Zosen ¥4 to ¥506.

Trading houses, which had

## FT-SE Actuaries Share Indices

August 17	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1278.86	1280.32	1280.25	1281.39	1281.85	1282.39	1284.72	1284.89
FT-SE Eurotrack 200	1359.58	1361.81	1362.47	1364.16	1364.08	1364.05	1367.08	1368.15
FT-SE Eurotrack 100	1278.32	1278.24	1280.84	1274.70	1281.80			
FT-SE Eurotrack 200	1359.33	1354.67	1359.88	1354.96	1354.51			

Source: Reuters 1000 (00/00/00) High/Low: 100 - 1285.26 200 - 1368.27 Low/Low: 100 - 1279.72 200 - 1358.51

MADRID accelerated late on US buying, the general index closing 5.64 higher at 286.86 for a gain of 5.9 per cent over the past five sessions. Turnover climbed again, from Ptas25.6bn to Ptas3.70n.

The buying made its impact more obviously, but not exclusively on the relatively illiquid construction sector, where Cubiertas rose Ptas540 to Ptas3.90, FCC by Ptas990 to Ptas4.390 and Valderivas by Ptas30 to Ptas4.400. In utilities, Gas Natural ended Ptas520 higher at Ptas2.200 and, among US-traded blue chips, Telefonica rose Ptas65 to Ptas1.505.

ZURICH tried again to ignore bearish noises from London,

the SMI index hitting a high of 2,291 early in the day, but it subsided later to close 14.1 lower at 2,464.8.

There was some nervousness in advance of today's first half results from Credit Suisse; its parent, CS Holding, fell Sfr40 to Sfr2.825. Cyclical saw profit-taking but closed above earlier lows, Aluisse bearers ending Sfr14 down at Sfr558 after Sfr54.

AMSTERDAM saw some switching out of cyclical into defensive stocks as the CBS Tendency index lost 1.2 to 126.7.

Among the gainers on the day, Unilever added Fl2.30 to Fl198.70 and Elsevier Fl3.60 to

Fl137.40. Williams de Broë in London upgraded the stock yesterday, and commented that the group's long-term profitability would be helped by cost cutting, product development and geographic expansion in Asia, Latin America and east Europe.

Hunter Douglas fell Fl3.70 or 6 per cent to Fl59.20; it reported a 16 per cent gain in first half profits after the close.

STOCKHOLM was given a boost by SE Banken first half results which came in at the top end of expectations. The bank also announced a Skr5bn rights issue and said that it had withdrawn an application for state assistance. The A shares advanced Skr9.50 to Skr78.50. The Affarsvärlden general index put on 16.9 to 1,301.9 in turnover of Sfr1.5bn.

Mr David Longmire of JPMorgan Capel said that the results had given the market a shot in the arm. He added that the bank was now solidly capitalised even although it might not be profitable for some time to come.

Attention would now turn,

he said, to forthcoming results due out from Electrolux today, Ericsson on Thursday, Investor on Friday and Handelsbanken, Skanska and Sandvik in the next week. Surprises were unlikely, he said, but any less than positive comments could see some profit-taking.

MILAN was lifted by a broker's positive rating of Generali, which gained L1.505 or 4.7 per cent to L41,000, the Comit index putting on 15.21 or 2.5 per cent to 608.35.

However, Mr Marco Orbelli of brokers Akros Sim in Milan said that while the Comit index has risen by some 20 per cent since mid-June, there were no fundamental reasons behind the upswing.

Fiat and Olivetti were cases in point, he noted, the former adding another L295 to L7,415 yesterday, in spite of recent figures showing a 30 per cent decline in domestic car sales. Olivetti was up L43 at L2,168.

The cement and construction sector was another good performer on the day, with Italcement gaining L680 or 5.6 per cent to L12,475.

## Germany leads European turnover gains

## William Cochrane analyses the continued upsurge in bourse activity

Reflecting a 6.4 per cent advance by the FT-Actuaries Europe index in July, turnover in Europe's top eight equity markets rose strongly for the second month in succession.

A rise of 20.8 per cent for the month follows one of 20.3 per cent in June, and a fall of 2.5 per cent in May against April, when markets seemed shaken by their sheer ebullience in the early months of this year.

Turnover on Seat International, the London-based screen dealing system, rose by 21.8 per cent for the seven Central markets, notes Mr James Cornish, a strategist with NatWest Securities, which produces the turnover figures. This, he says, means that London activity rose slightly as a percentage of the domestic markets, underlining the strong interest of international investors. Germany was the headline performer in volume terms over the month, a 43.3 per cent rise in turnover comparing with a share price gain for the market which was

slightly below average, at 5.8 per cent in local currency terms.

France, which showed a 5.6 per cent gain, saw slightly weaker turnover over the month, the clear inference for Germany being that share price appreciation was less important to buyers, short-term, than other considerations.

The German equities team at Kleinwort Benson Research says as much. "Liquidity has pushed the market ever higher," it says, but the DAX index has yet to revisit its all-time high and this sets Germany apart from many other major European markets." In Frankfurt, the month started with key interest rate cuts from the Bundesbank, but turnover did not start to motor until almost a week later as it became widely perceived that US and UK investors, underweight in German stocks, had changed their asset allocation policies. In the end, the month came out 61 per cent higher than the previous three-month average, and only 2.8 per cent

EUROPEAN EQUITIES TURNOVER									
Monthly total in local currencies (bn)									
Bourse	Apr 1993	May 1993	Jun 1993	Jul 1993	US \$bn				
Belgium	58.18	40.98	50.65	59.86	1.63				
France	117.45	122.95	154.32	151.78	26.39				
Germany	119.50	104.40	131.80	108.76	108.41				
Italy	31,088.4	19,866.6	30,864.8	35,897.2	22.12				
Netherlands	16.80	15.70	16.90	21.60	11.01				
Spain	598.87	1,116.74	844.84	808.04	5.56				
Switzerland	14.00	16.70	24.80	26.90	17.68				
UK	38.79	40.82	41.86	45.99	68.26				

Volumes represent purchases and sales.

Values are adjusted to include off-market trading. Some figures may be revised.

Source: NatWest Securities

below the record level of January, 1990 in the euphoria following the opening of the Berlin wall.

There were strong performances elsewhere. The Netherlands saw a gain of 27.8 per cent, 31 per cent over the previous three months, as the market rushed to buy cyclical stocks; trading in Dutch stocks in London continued to rise as a share of domestic volume. In Belgium, with the market

up 3.6 per cent, turnover rose 25.8 per cent to a level not seen since March. Italian turnover climbed 15.6 per cent to its record high, 31.2 per cent on its three-month average as the share price index receded after a fall in June. UK activity rose on interest rate hopes, and its Swiss counterpart on this year's phenomenal interest in bank shares. Spain joined France on the downturn as French activity put stock markets in the shade.

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS									
MONDAY AUGUST 16 1993									
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Found Currency Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index
Australia (59)	143.31	+0.4	143.17	81.54	125.65	140.68	+0.6	3.57	142.78
Austria (17)	165.96	+0.0	165.80	108.01	145.32	145.78	-0.4	1.32	166.02
Belgium (45)	143.82	+1.7	143.65	85.60	131.36	133.01	+0.3	4.31	147.26
Canada (103)	125.39	+0.0	125.27	80.09	109.93	119.35	+0.0	2.83	125.33
Denmark (33)	215.85	+1.2	215.35	137.88	189.26	204.77	+0.2	1.10	212.39
Finland (23)	111.02	-0.5	110.92	97.05	137.01	137.01	-0.3	0.88	111.34
France (97)	161.27	+1.3	161.11	103.00	141.39	151.15	+0.0	3.06	159.13
Germany (50)	123.29	+1.7	123.17	78.76	108.10	108.10	+0.2	1.96	121.25
Hong Kong (55)	296.47	+1.1	296.19	189.37	258.96	258.10	+1.1	3.22	283.32
India (15)	195.55	+0.6	195.39	106.36	140.03	170.05	+0.1	3.27	184.32
Italy (70)	73.59	+2.2	73.52	47.00	64.52	88.26	+1.1	1.85	71.99
Japan (470)	165.31	+1.4	165.16	105.88	145.48	105.98	+0.3	0.78	163.55
Malaysia (59)	353.16	+0.5	352.81	251.96	318.41	356.78	+0.3	1.92	351.98
Mexico (19)	183.96	+0.0	183.96	107.53	147.61	173.35	+0.0	0.86	181.91
Netherlands (24)	177.60	+2.0	177.43	113.44	155.72	153.88	+0.5	3.51	174.20
New Zealand (13)	57.63	+0.3	57.67	36.87	54.83	54.83	-0.2	1.49	57.07
Norway (22)	176.82	+1.0	176.96	112.95	155.04	176.58	-0.5	1.49	175.07
Singapore (28)	271.08	+0.1	270.82	173.18	237.68	200.75	+0.0	1.72	270.72
South Africa (80)	195.99	+1.4	195.81	128.19	171.84	200.46	+0.9	2.56	193.22
Spain (32)	124.80	+0.6	124.78	79.78	109.51	133.41	+0.0	4.38	123.93
Sweden (36)	166.80	+0.6	166.42	119.18	183.82	222.10	-1.0	1.52	165.57
Switzerland (50)	133.46	+2.5	133.33	85.26	117.03	123.93	+0.3	1.37	132.78
United Kingdom (218)	182.16	+1.6	181.99	116.26	159.71	181.99	+0.1	3.85	179.29
USA (520)	185.00	+0.5	184.82	118.17	162.21	185.00	+0.5	2.77	184.12
Europe (750)	152.19	+1.6	152.04	87.21	133.45	146.82	+0.1	3.05	149.77
Nordic (114)	175.74	+0.7	175.57	112.25	154.69	184.72	-0.7	1.35	174.53
Pacific Basin (714)	168.84	+1.3	168.64	107.83	148.01	112.86	+0.3	1.93	166.55
Euro-Pacific (146)	161.88	+1.5	161.71	103.38	141.91	126.84	+0.2	1.81	159.54
North America (826)	181.29	+0.5	181.12	115.61	158.88	180.53	+0.2	2.77	180.46
Europe Ex. UK (532)	153.12	+1.4	152.95	85.26	117.03	123.93	+0.3	1.37	152.05
Pacific Ex. Japan (244)	198.07	+0.6	197.88	126.54	173.68	182.80	+0.7	3.03	196.85
World Ex. US (1651)	161.90	+1.4	161.74	103.42	141.99	128.84	+0.3	1.84	159.29
World Ex. UK (1953)	167.24	+1.0	167.08	106.83	146.75	147.21	+0.4	2.01	165.52
World Ex. So. Af. (2111)	168.51	+1.1	168.35	107.64	147.78	145.85	+0.4	2.17	166.70
World Ex. Japan (1701)	172.20	+0.9	172.04	110.01	151.01	168.72	+0.4	2.86	170.84
The World Index (2171)	168.57	+1.1	168.41	107.66	147.82	146.32	+0.4	2.18	166.76

Copyright, The Financial Times Limited, Goldman, Sachs